Report

OF THE

Indian Merchants' Chamber

FOR THE YEAR

1930

Presented to the Annual General Meeting of the Chamber held on 24th January 1931

Published by

J. K. Mehta, B.A., Secretary, Indian Merchants' Chamber
"The Recluse," 31, Murzban Road, Fort, Bombay

Printed at

"THE BRITISH INDIA PRESS," MAZAGON, BOMBAY

1931

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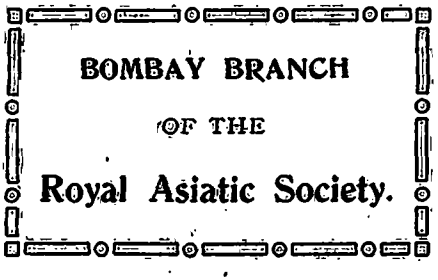

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No.	Representative.	Member	Address.
1	Hon. Sir Dinshaw Edulji Wacha.	Messrs. Morarjee Goculdas & Co.	Sudama House, Ballard Estate, Fort, Bom.
2	Mr. Chunilal Devkaran Nanji	„ Chugondas & Co.	17, Elphinstone Circle, Fort, Bom.
3	Hon. Sir Munmohundas Ramji	Hon. Sir Munmohundas Ramji	Shushtri Building, Circle, Bom.
4	Mr. Chatrabhuj Morarji	Messrs. Morarji Velji & Sons	Mulji Jetha Market, Govind Chowk, Bom.
5	„ Jamnadas Devidas	„ Jethabhai Govindji & Co.	Mulji Jetha Market, Sir Vithaldas Galli, Bom.
6	„ Jethabhai Kalyanji	„ Valji Shamji & Co.	Mulji Jetha Market, Chawk, Bom.
7	„ Vallabhdas Chaturbhuj Shivji.	„ Chaturbhuj Shivji & Co.	Mulji Jetha Market, Chikhal Galli, Bom
8	„ Mathuradas Valji	„ Valji Sunderji & Co.	Mulji Jetha Market, Ghadil Galli, Bom.
9	„ Karsandas Thackersey	„ Damodar Haridas & Co.	Mulji Jetha Market, Chikhal Galli, Bom.
10	„ Devidas Madhowji Thackersey	„ Madhowji Thackersey & Co.	Raja Bahadur Motilal Mansion, Bruce Street, Bom.
11	„ Madhowji Jesang	„ Ramdas Madhowji & Co.	Mulji Jetha Market, New Narayan Chowk, Bom.
12	„ Vithaldas Damodar Govindji.	„ Damodar Govindji Sons & Co.	Govind Building, Princess Street, Bom.
13	Mr. Balvant Ramchandra	Messrs. Bhalchandra Balvant & Co.	Mulji Jetha Market, Narayan Chowk, Bom.
14	„ Morarji Hemraj Kanji	„ Hemraj Kanji & Co.	Mulji Jetha Market, New Govind Chowk, Bom.
15	„ Hiralal Amratlal	„ Hiralal Amratlal & Co.	Mulji Jetha Market, Dwarkesh Galli, Bom.
16	„ Purshottam Mulji	„ Padamsi Munji & Co.	27-33, Medows St., Fort, Bom.
17	„ Goculdas Jivraj	„ Ghela Dayal & Co.	Mulji Jetha Market, Ghadial Galli, Bom.
18	„ Haridas Purshottam Govindji.	„ Purshottam Govindji & Co.	Mulji Jetha Market, Chowk, Bom.
19	„ Harjivan Valji	„ Harjivan Valji & Co.	12, Champa Galli, Shaikh Memon Street, Bom.
20	„ Chhotalal Kanji	„ Chaturbhuj Jivandas & Co.	Mulji Jetha Market, Navi Gomukh Galli, Bom.
21	„ Vallabhdas Jamnadas	„ Vallabhdas Jamnadas & Co.	Ratan House, Tribhovan Road, Bom.
22	„ Bhugwandas Vussonji	„ Kanji Karsan & Co.	28-30, Pedder Road, Bom.
23	„ Purshottamdas Lalji	„ Lalji Tricumji & Co.	Mulji Jetha Market, Ghadial Galli, Bom.
24	„ Karsandas Premji	„ Karsandas Purshotam & Co.	Mulji Jetha Market, Navi Galli, Bom.
25	„ Lalji Naranji	„ Lalji Naranji & Co.	Ewart House, Tamarind Lane, Fort, Bom.
26	„ Vallabhdas Valji	„ Valji Khimji & Co.	Mulji Jetha Market, Navi Galli, Bom.

No.	Representative.	Member.	Address.
27	Mr. Ranchhoddas Vullabhdas Kanji.	Messrs. Vullabhdas Kanji & Co.	Mulji Jetha Market, Ghadial Galli, Bom
28	,, Gordhandas Mathradas	Mr. Gordhandas Mathradas	Mulji Jetha Market, Ghadial Galli, Bom.
29	,, Vallabhdas Vandravan	Messrs. Vishram Dhunji & Co.	Mulji Jetha Market, Chowk, Bom.
30	,, Kalyanji Bhimji	,, Bhimji Dwarkadas & Co.	Laxmidas Market, Shaikh Memon Street, Bom.
31	,, Hirji Rustomji	,, Damodar Valji & Co.	Mulji Jetha Market, Dadar Galli, Bom.
32	,, Dwarkadas Vussanji	,, Purshottam Laxmidas & Co.	Mulji Jetha Market, Nava Govind Chowk, Bom.
33	,, Vaman Shridhar Apte	,, Vaman Shridhar Apte & Co.	Mulji Jetha Market, Govind Chowk, Bom.
34	Hon. Sir Phiroze C. Sethna	Hon. Sir Phiroze C. Sethna	Canada Building, Hornby Road, Fort, Bom.
35	Mr. Madhowji Damodar Thackersey.	Messrs. Thackersey Moolji & Co.	16, Apollo Street, Fort, Bom.
36	,, Chaturbhuj Gordhandas Sunderdas.	,, Mulji Jetha & Co.	Ewart House, Tamarind Lane, Fort, Bom.
37	,, Munmohandas Laxmidas	,, Motilal Keshavji & Co.	Raja Bahadur Motilal Mansion, Bruce St., Fort, Bom.
38	,, Gordhandas Govindji	,, Morarji Govindji & Co.	Mulji Jetha Market, Chikhal Galli, Bom.
39	Mr. Lalji Dayal	Messrs. Hirji Dayal & Co.	Girgaum Back Road, Bom.
40	,, Keshavji Ramji Laxmidas	,, Ramji Laxmidas & Co.	Mulji Jetha Market, Chowk, Bom.
41	,, Mulji Goculdas	,, Dharamsey Rattansey	Laxmidas Market, Shaikh Memon Street, Bom.
42	,, Harjivan Purshottam	,, Jamnadas Haridas & Bros.	Mulji Jetha Market, New Govind Galli, Bom.
43	,, Mulji Laxmidas	,, Gopalji Valji Sunderji & Co.	Mulji Jetha Market, Ghadial Galli, Bom.
44	,, Ramdas Ranchhoddas	,, Ranchhoddas Thackersey & Co.	Mulji Jetha Market, New Govind Chowk, Bom.
45	,, Jamnadas Harakhji	,, Jamnadas Harakhji & Co.	82, Dady Seth Agiari Lane, Bom.
46	,, Jethmal Narandas	,, Jethmal Narandas & Co.	Mulji Jetha Market, Sancha Galli, Bom.
47	,, Mathuradas Haribhai	,, Mathuradas Haribhai & Co.	Mulji Jetha Market, Dharamraj Galli, Bom.
48	,, Laxmidas Keshavji	,, Haridas Keshavji & Co.	Mulji Jetha Market, Krishnaraj Galli, Bom.
49	,, Dhirajlal Revashanker Mehta.	,, Revashanker Jagjivan & Co.	Khara Kuva, Shaikh Memon Street, Bom.
50	,, Sheriff Devji Kanji	,, Devji Kanji & Co.	Chakla Street, Mandvi, Bom.
51	Sir Purshotamdas Thakurdas	,, Narandas Rajaram & Co.	Navsari Chambers, Outram Road, Fort, Bom.
52	Mr. Govindji Ratansi Mulji	Mr. Govindji Ratansi Mulji	Feltham House, Ballard Estate, Fort, Bom.

No.	Representative.	Member.	Address.
53	Mr. Purshottamdas Jivandas	Messrs. Ramdas Khimji & Co.	Albert Building, Hornby Road, Fort, Bom.
54	,, Dhanjibhoy B. Petit	,, Dhanjibhoy B. Petit & Co.	Elphinstone Circle, Fort, Bom.
55	,, Govindlal Shivlal	,, Raja Bahadur Shivlal Motilal.	Hari Building, 58-64, Custom House Road, Fort, Bom.
56	,, S. R. Bomanji	Mr. S. R. Bomanji	Forbes Street, Fort, Bom.
57	,, Kakubhai Jivandas	Messrs. Khimji Vishram & Co.	Dana Bunder, Broach Street, Bom.
58	,, Palanji Dadabhoy Chowna.	,, Drewet Chowna & Co.	46, Church Gate St., Fort, Bom.
59	,, N. D. Dadysetth	Mr. N. D. Dadysheth	17, Waudby Road, Fort, Bom.
60	,, Kaikobad Cowasji Dinshaw.	Messrs. Cowasji Dinshaw & Bros	121, Medows Street, Fort, Bom.
61	,, Fidahusein Samsuddin	,, Shaikh Mahomed Shaikh Dawood & Co.	Crawford Market, Bhusari Street, Bom
62	,, Vithaldas Kanji	Mr. Mathuradas Vissanji	9, Wallace Street, Fort, Bom.
63	,, Govindram Harsomal	Messrs. Tarachand Ghansyamdas & Co.	Jhaveri Bazar, Shaikh Memon Street, Bom.
64	,, Karsandas Mulji Jetha	Mr. Karsandas Mulji Jetha	346, Hornby Road, Fort, Bom.
65	Mr. Ramji Bharmal	Messrs. The Grain Merchants' Association.	262, Musjid Bunder Road, Bom
66	,, Anandrao Krishnarao Kothare.	,, K. P. Kothare & Co.	Apollo Street, Fort, Bom.
67	,, Pestonji Edulji Dhala	,, The Indian Mercantile Insurance Co., Ltd.	11, Bank Street, Fort, Bom.
68	Sir Lallubhai Samaldas	Sir Lallubhai Samaldas	Apollo Street, Fort, Bom.
69	Mr. Sultanbhoy Hajibhoy	Messrs. Hajibhoy Lalji & Co.	Akbar Building, Hornby Road, Fort, Bom.
70	Sir Fazulbhoy Currimbhoy Ibrahim.	Sir Fazulbhoy Currimbhoy Ibrahim.	12-14, Outram Road, Fort, Bom.
71	Mr. Narandas Chatrabhuj	Messrs. Gordhandas Khetsey	Manordas Street, 40, Holi Chakla, Fort, Bom.
72	Sir Shapurji B. Billimoria	,, S. B. Billimoria & Co.	113, Esplanade Road, Fort, Bom.
73	Mr. R. D. Lam	,, Tata Sons, Ltd.	Bombay House, Bruce Street, Fort, Bom
74	,, Dadabhai J. Registrar	,, The Berar Mfg. Co., Ltd.	Lloyd Building, Ballard Estate, Fort, Bom.
75	,, Hirjibhai Shapurji Patuck	,, H. S. Patuck & Co.	Ismailji Building, Bank Street, Fort, Bom
76	,, Kikabhai Premchand	,, Premchand Roychand & Sons	Apollo Street, Fort, Bom.
77	,, Harikishandas Mehra	,, The Hindustani Native Merchants' Association	342, Kalbadevi Road, Bom.
78	,, Ratanchand Navalchand Jhaveri	,, Manekchand Panachand & Co.	Jhaveri Bazar, Shaikh Memon Street, Bom.
79	Dr. M. Venkatrao	,, N. Powell & Co.	Lamington Road, Bom.

No.	Representative.	Member.	Address.
80	Mr. Nahalchund Laloochund	Mr. Nahalchund Laloochund	Tamba Kanta, Pydhonie, Bom.
81	,, Hargopal Motilal	Messrs. Durgadas Jaidayal	Khara Kuva, Shaikh Memon Street, Bom.
82	,, Vallabhdas Dayal	Mr. Vallabhdas Dayal	Vadgadi, Mandvi, Bom.
83	,, Bharata K. S. Aiyar	Messrs. K. S. Aiyar & Co.	55, Apollo Street, Fort, Bom.
84	,, Hirachand Vanechand Desai	,, Hirachand Vanechand Desai & Co.	Kalbadevi Road, Bom.
85	Pof. S. R. Davar	,, Davar's College of Commerce	80-82, Esplanade Road, Fort, Bom.
86	Mr. Nassurwanji K. A. Chinoy	Mr. Nassurwanji K. A. Chinoy	Chinoy Mansion, Colaba, Bom.
87	,, Shivji Chapsey	Messrs. Vussanji Velji & Co.	Marwari Bazar, Bom.
88	,, Phirozeshaw N. Mehta	,, P. N. Mehta & Co.	Cook's Building, Hornby Road, Fort, Bom.
89	,, Nandlal Kilachand	,, Kilachand Devchand & Co. Ltd.	Allahabad Bank Building, Apollo Street, Fort, Bom.
90	,, Sorabji N. Pochkhanawala	The Central Bank of India Ltd.	Esplanade Road, Fort, Bom.
91	,, Beniprasad R. Dalmia	,, Mamraj Rambhagat & Co.	2, Sheikh Memon Street, Bom.
92	,, Morarji Kanji	Mr. Morarji Kanji	Mulji Jetha Market, Sancha Galli, Bom.
93	Mr. Manilal Goculbhai Mulchand	Mr. Manilal Goculbhai Mulchand	Champa Galli, Kalbadevi Road, Bom.
94	,, Hirachand Vanechand Desai.	Messrs. The Bombay Shroff Association.	Shroff Bazar, Shaikh Memon Street, Bom.
95	,, Jamnadas Mulchand Parekh.	,, Goculbhai Dolatram & Co.	Kalbadevi Road, Bom.
96	,, Lavji Meghji	,, Curumsey Damji & Sons	Girgaum Back Road, Bom.
97	,, Liladhar Javerchand	,, Mulchand Vussanji & Co	90, Bazar Gate Street, Fort, Bombay.
98	,, Dwarkadas Tribhovandas	Mr. Dwarkadas Tribhovandas	Singhani Building, Marwari Bazar, Bom.
99	,, R. D. Patel	Messrs. Patel Bros.	"Gulestan," 6, Napier Road, Fort, Bom.
100	,, Hormasji D. Jassoobhoy	,, Chandabhoy & Jassoobhoy.	43, Apollo Street, Fort, Bom.
101	,, Ratansi Dharamsi Morarji	Mr. Ratansi Dharamsi Morarji	Sudama House, Ballard Estate, Fort, Bom.
102	,, Fakirmahomed C. L. Sajun	Messrs. C. L. Sajun & Co.	Carnac Bunder, Bom.
103	,, Rowjee Ghellabhoy	Messrs. Hirji Ghellabhoy & Co.	Bhat Bazar, Mandvi, Bom.
104	,, Cassamalli Jerajbhoy Peerbhoy.	Mr. Cassamalli Jerajbhoy Peerbhoy.	Pedder Road, Bom.
105	,, Vithaldas Liladhar Bhimji	,, Vithaldas Liladhar Bhimji	Princess Street, Bom.
106	,, M. V. Subiah	Messrs. The Commission and General Agency.	Yamnoos Building, Nagarpet, Bangalore City.
107	,, Dwarkadas Kalyandas	Mr. Dwarkadas Kalyandas	Ridge Road, Malabar Hill, Bom.

No.	Representative.	Member.	Address.
108	Mr. Lakhmidas Rowjee Tairsee	Messrs. Lakhmidas & Co.	29-31-33, Bohra Bazar Street, Holi, Chakla, Bom.
109	„ Kirtilal Manilal	„ Surajmal Lallubhai & Co.	Kalbadevi Road, Bom.
110	„ Manharlal Vrajdas Merchant.	Mr. Manharlal Vrajdas Merchant	Dady House, Church Gate Street, Fort, Bom.
111	„ Nagindas A. Adatia	Messrs. Nagindas & Maneklal	Ravelin Street, Hornby Road, Fort, Bom.
112	„ Mavji Govindji	„ Mavji Govindji & Co.	Apollo Street, Fort, Bom.
113	„ Sankalchand G. Shah	„ The Bombay Yarn, Copper and Brass Native Merchants' Association.	Tamba Kanta, Pydhonic, Bom.
114	„ Girjashanker B. Trivedi	„ Trivedi & Co.	Navsari Chambers, Outram Road, Fort, Bom.
115	„ Amar Nath Chopra	„ The Punjab National Bank Ltd.	Sassoon Building, Churchgate Street, Bom
116	„ Ramchandra M. Bhatt	Mr. Ramchandra M. Bhatt	36-37, Sandhurst Road, Girgaum, Bom.
117	„ Laxmidas Devji	Messrs. Jetha Devji & Co.	Kazi Syed Street, Mandvi, Bom.
118	„ Vithaldas Purshottam	„ Pitamber & Co.	Sudama House, Ballard Estate, Fort, Bom
119	Mr. Bhailal Dajibhai Amin	Messrs. The Alembic Chemical Works Co., Ltd.	Baroda Camp.
120	„ A. D. Shroff	„ Batlivala & Karani	Dalal Street, Fort, Bom.
121	„ Maneklal Manilal Ranchhoddas Pari.	Mr. Maneklal Manilal Ranchhoddas Pari.	Maneck Chawk, Ahmedabad.
122	„ Phiroze J. Billimoria	Messrs. The Indian Cement Co., Ltd.	Bombay House, Bruce Street, Fort, Bom.
123	„ M. A. J. Noble	Mr. M. A. J. Noble	26, Parsi Bazar Street, Fort, Bom.
124	„ Jayvant Shantaram Divadkar	Messrs. Narayan Dhondoba & Co.	Lloyd Building, Ballard Estate, Fort, Bom.
125	„ Shoorji Vallabhdas	Messrs. Shoorji Vallabhdas & Co.	220-230, Sheikh Memon Street, Bom.
126	„ Laxmichand M. Dosi	„ Laxmichand Padamsey & Co.	439, Kalbadevi Road, Bom.
127	„ Rameshwardas Birla	„ Shivnarayan Baldevdas & Co.	Patel Building, Marwari Bazar, Bom
128	„ Narsidas Jekisandas Gangadas.	Mr. Narsidas Jekisandas Gangadas.	Shahibag, Ahmedabad.
129	„ Jiwandas Doongursee	Messrs. Doongursee & Sons	59, Forbes Street, Bom.
130	„ Ramnivas Ramnarain	„ Hurnundrai Ramnarain	395, Kalbadevi Road, Bom.
131	„ Hormasji Bapuji Gazdar	Mr. Hormasji Bapuji Gazdar	Beach House, Nepean Sea Road, Malabar Hill, Bom.
132	„ T. M. Rangachari	„ T. M. Rangachari	Poonamalli High Road, Madras.
133	„ Walchand Hirachand	„ Walchand Hirachand	Phoenix Building, Ballard Estate, Bom.

No.	Representative.	Member.	Address.
134	Mr. Ambalal Sarabhai ..	Mr. Ambalal Sarabhai ..	.. Retreat, Shahibag, Ahmedabad.
135	„ Mansukhlal Atmaram Master.	„ Mansukhlal Atmaram Master	.. Sudama House, Ballard Estate, Bom.
136	„ Damodar Govindji Madhowji.	Messrs. Govindji Madhowji & Co.	.. 16, Apollo Street, Bom.
137	„ H. M. A. Anik ..	„ H. Anik & Co. ..	.. Opposite Colaba Post Office, Colaba, Bom.
138	„ Bhagwandas Gordhandas	Mr. Bhagwandas Gordhandas	.. 9, Wallace Street, Fort, Bom.
139	„ Mathuradas Canji Matani	Messrs. Kanji Dwarkadaswala	.. 53, Mint Road, Fort, Bom.
140	„ Madhavlal Makanji	„ Madhavlal & Co., Ltd.	.. Alice Building, Hornby Road, Bom.
141	„ Nemchand Popatlal Vohora.	„ C. K. Vohora & Co.	Saker Bazar Cross Lane, Rly. Pura Post, Ahmedabad.
142	„ Nandlal Madhavdas ..	„ Amersey Damodar ..	.. 106, Bhuleswar Road, Bom.
143	„ Kekhushru Manekji Cooper.	„ K. & J. Cooper ..	.. Katgara House, 15, Nepean Sea Road, Bom.
144	„ Abdulla Ibrahim Rahimtulla.	„ Fazalbhai Ibrahim & Co., Ltd	Ismail Building, Hornby Road, Bom.
145	„ Manilal Jugaldas ..	Mr. Manilal Jugaldas ..	...4, Green Street, Fort, Bom.
146	Mr. Hargovind Ambaram Jani.	Messrs Hargovind Shivlal & Co.	. Tank Bunder, Mazagaon, Bom.
147	„ Narandas Keshoordas	„ Kalji Godhoo & Co.	. Samuel Street, Vadgadi, Bom.
148	„ Manilal Balabhai .	„ Manilal Balabhai & Co.	.. 36, Humam Street, Fort, Bom.
149	„ Mathuradas Tricumdas	„ Mathuradas V. Kothare & Co	45, Apollo Street, Fort, Bom.
150	„ Shantidas Ashkaran ..	Mr. Shantidas Ashkaran ..	.. "Shanti Nivas", Nepean Sea Road, Bom-
151	„ Vyas Laxmishanker Narbadashanker.	„ Vyas Laxmishanker Narbada shanker.	C/o Chandrodaya Mill, Viramgam.
152	„ Ishwardas Lukhmidas ..	„ Ishwardas Lukhmidas ..	.. "Garden View," Hughes Road, Bom.
153	„ N. M. Muzumdar ..	„ N. M. Muzumdar ..	.. C/o Tata Sons, Ltd., Bruce Street, Fort, Bom.
154	„ Hatim E. Attari .	„ Hatim E. Attari ..	.. Asian Building, Ballard Estate, Bom.
155	„ Ishwarlal Ganpatram Gajjar.	„ Ishwarlal Ganpatram Gajjar	. Parekh Building, New Queen's Road, Bom.
156	„ Vassanji Naranji Bhimji	„ Vassanji Naranji Bhimji	.. Vadgadi, Mandvi, Bom.
157	„ Keshavji Nanji .	„ Keshavji Nanji ..	.. Laxmidas Khimji Market, Bom.
158	„ Rahimtulla M. Chinoy ..	Messrs. F. M. Chinoy & Co.	. Band stand, Chowpatty, Bom.
159	„ Edulji S. Cooper ..	„ Pallonji Edulji & Sons	.. New Charni Road, Girgaon, Bom.
160	„ Velji Lukhamsi Nappoo	„ Nappoo Nensee & Co.	.. 188, Argyle Road, Dana Bunder, Bom.

No.	Representative.	Member.	Address.
161	Mr. Alimohamad R. Macklai	Mr. Alimohmad R. Macklai	90, Esplanade Road, Fort, Bom.
162	„ J. H. Bhabha	Messrs. The Tata Hydro Electric Power Supply Co., Ltd.	Bombay House, Bruce Street, Fort, Bom.
163	„ Dwarkadas Jekisondas	Mr. Dwarkadas Jekisondas	Dwarkadas Mansion, Sandhurst Road, Bom.
164	„ Hansraj Haribhai	Messrs. Hansraj & Co.	20, Elphinstone Circle, Fort, Bom
165	„ Vallabhdas Runchordas	„ Vallabhdas Runchordas & Co	Mahim, Bom. 16.
166	„ Kapilram H. Vakil	Mr. Kapilram H. Vakil	Navsari Building, Hornby Road, Bom.
167	„ Baldevdas Dalshukhram Dave	Messrs. Somnath Rupjidas Patel	55, 3rd Bhoiwada, Bhuleshwar, P. O. Box 2080, Bom.
168	„ Dawood Haji Nassur	„ Nassur Haji Mavji & Co.	Khoja Mohalla, Bom.
169	„ Amratlal Amerchand	„ Amerchand Madhowji & Co.	36, Kazi Syed Street, Mandvi, Bom.
170	„ Framji Dorabji Panday	„ Pestonji & Co.	371, Hornby Road, Bom.
171	„ Meiz Shaikadam Vasi	„ Shaikadam Husseinalli Vasi & Co.	Vasi Building 165, Nagdevi Street, Bom.
172	„ Laxmidas G. Tejpal	Mr. Laxmidas G. Tejpal	Vile-Parle (B.B. & C.I.Ry.) Bom.
173	„ Morarji Premji Goculdas	Messrs. M. P. Goculdas & Co.	16, Apollo Street, Fort, Bom.
174	*Mr. Behram N. Karanjia*	*Mr. Behram N. Karanjia*	*238-40, Musjid Bunder Road, Bom.*
175	„ Madhavdas Goculdas Pasta	„ Madhavdas Goculdas Pasta	11, Bastion Road, Fort, Bom.
176	„ Jamnadas Morarji	Messrs. Jamnadas Morarji & Sons	Share Bazar, 8-10, Dalal St., Fort, Bom
177	„ Sarabhai Prataprai	Mr. Sarabhai Prataprai	Madhuli, Grant Road, Bom.
178	Sir Dinshaw Manekji Petit Bart.	Sir Dinshaw Manekji Petit, Bart.	359, Hornby Road, Bom.
179	Mr. Panachand Manchand	Mr. Panachand Manchand	Sarasvati Nivas, Ville-Parle.
180	„ Balkishandas Ramkishandas.	„ Balkishandas Ramkishandas	207-209, Kalbadevi Road, Bom.
181	„ K. R. P. Shroff	„ K. R. P. Shroff	80, Esplanade Road, Fort, Bom.
182	„ Pesi R. P. Shroff	„ Pesi R. P. Shroff	80, Esplanade Road, Fort, Bom.
183	„ Gordhandas Parshottamdas.	Messrs. Narandas Manordas & Co.	Shaikh Memon Street, Bom.
184	„ Y. G. Pandit	Mr. Y. G. Pandit	Whiteaway Laidlaw Building, Hornby Road, Bom.
185	„ R. J. Duff	Messrs. The New India Assurance Co., Ltd.	Central Bank Building, Esplanade Road, Bom.
186	„ Kanji Cursondas	Mr. Kanji Cursondas	183-185, Hornby Road, Bom.
187	„ Dulerai Vanechand Desai	Messrs. Dulerai & Co.	22, Apollo Street, Fort, Bom.
188	„ Natvarlal M. Chokshi	Messrs. The Bombay Swadeshi Co-operative Stores, Co., Ltd.	Cruickshank Road, Fort, Bom.

No.	Representative.	Member.	Address.
189	Mr. Vithaldas Hurjiwandas	Messrs. Hurjiwandas Jugjiwandas & Co.	26. Jambulvadi, Kalbadevi Road, Bom.
190	,, Maganbhai P. Amin	,, Maganbhai Amin & Co.	32, Apollo Street, Fort, Bom.
191	,, Maganlal Purshottamdas	,, Purshottam Pranvallabh & Co.	Dalal St., Share Bazar, Bom.
192	,, Abubakar Abdulrahman	,, Abubakar Abdulrahman & Co.	Narayan Dhru St., Pydhonie, Bom.
193	,, Tulsidas Karsandas	Mr. Parmanand Karsandas Hargovan.	Mulji Jetha Market, Chowk, Bom.
194	,, S. D. Shethia	Messrs. Shivji Dharamsey Shethia & Co.	15, Elphinstone Circle, Fort, Bom.
195	,, Tulsidas Ramdas	Mr. Tulsidas Ramdas	C/o Ebrahim Tulsidas & Co., Narayan Dhru Street, Pydhonie, Bom.
196	,, Pragji Dayal Hariani	,, Pragji Dayal Hariani	112, D'Souza Street, Mandvi, Bom.
197	,, Jivanlal Chimanlal Setalvad.	Messrs. J. C. Setalvad & Co.	Jehangir Wadia Building, Esplanade Road, Bom.
198	,, Narandas Bhawanji	,, Narandas Bhawanji & Co.	97, Vachhat House, Bhandari St., Bom.
199	,, Rattansey Hirji	,, Hirji Govindji & Co.	45, Baroda St., Dana Bunder, Bom.
200	, Chimanlal Mohanlal	,, Chimanlal Mohanlal & Co.	Patel Buildnig, Javeri Bazar, Bom.

201	*Mr Balabhai Jamnadas*	Messrs.	The Gujarat Oil Mill & Mfg. Co., Ltd.,	Asarva, Post Kalupur, Ahmedabad
202	,, Ratan C. Gazdar	Messrs.	Bomanji C. Gazdar & Co.	16, Apollo Street, Fort, Bom.
203	,, Maneklal Ujamshi	Mr.	Maneklal Ujamshi	70, Apollo Street, Fort, Bom.
204	,, Dullabhdas H. Gandhi	,,	Ranchhoddas Harjivandas Gandhi.	Ramchandra Building, Princess Street, Bom.
205	,, Hooseinbhoy Hassum	,,	Hooseinbhoy Hassum	166, Samuel Street, Bom.
206	,, Kanchanlal Varajdas	Messrs.	M. Kanji & Co.	Cawasji Patel Street, Fort, Bom.
207	,, Shamji Hemraj	,,	Shamji Hemraj & Co.	Hemraj House, Mandvi, Bom.
208	,, Shatikumar N. Morarjee	,,	The Sholapoor Spg. & Wg. Co., Ltd.	&Sudama House, Ballard Estate, Bom.
209	,, Laxmidas G. Dossa	,,	Goculdas Dossa & Co.	22, Apollo Street, Fort, Bom.
210	,, Darasha Hormasji	,,	Morarji & Hormasji	Shaikh Memon Street, 19, Champa Galli, Bom.
211	,, Bomanji Dorabji Kapadia	Mr.	Bomanji Dorabji Kapadia	Engineer Building, Princess Street, Bom.
212	,, Motiram Waghji	Messrs.	Pragji Liladhar & Co.	Bhat Bazar, Mandvi, Bom.
213	,, Gustadji Dossabhoy Billimoria.	Mr.	Gustadji Dossabhoy Billimoria.	69, Walkeshwar Road, Bom.
214	,, Thakorlal Hiralal Vakil	Messrs.	Vakil Brothers.	73, Apollo Street, Bom.

No.	Representative.	Member.	Address.
215	Mr. Chunilal Baldevdas	Mr. Chunilal Baldevdas.	C/o Gordhandas Mulchand, Kolsa Mohalla, Bom.
216	,, B. D. Sardesai	Messrs. The Tata Construction Co., Ltd.	Phoenix Building, Ballard Estate, Bom.
217	,, H. H. Belgaumwalla	Mr. H. H. Belgaumwalla.	Hubli.
218	,, Nowroji H. Belgaumwalla	,, Nowroji H. Belgaumwalla.	C/o The Bombay Samachar Office, Custom House Road, Bom.
219	Prof. Khushal T. Shah	Prof. Khushal T. Shah	Banker's Bungalow, 45, Chaupatty Road, Bom.
220	Mr. Nensey Tejpal	Mr. Nensey Tejpal	Nana Colaba, Thomas Street, Bom.
221	,, Framroze A. Mody	,, Framroze A. Mody	Oomrigar Building, Carnac Road, Bom
222	,, Behram N. Karanjia	Messrs. The Japan & Shanghai Silk Merchants' Association	Jackeria-Musjid, Bom.
223	,, S. J. Pandya	,, The Scindia Steam Navigation Co., Ltd.	Sudama House, Ballard Estate, Fort, Bom.
224	,, Ranchhoddas Tribhovandas Popavala.	Mr. Ranchhoddas Tribhovandas Popavala.	Dady House, Church Gate Street, Bom.
225	,, Hooseinbhoy A. Lalljee	Messrs. Abdullabhoy Lalljee & Co.	Samuel Street, Mandvi, Bom
226	*Mr. Nowroji Ardeshir Nariel-wala.*	*Messrs. A. S. Narielwala & Sons*	Cowasji Patel Street, Fort, Bom.
227	,, Balvant Krishna Rao Wagle.	Mr. Balvant Krishna Rao Wagle	220, Kandewady, Girgaum, Bom.
228	Sir M. Visvesvaraya	Sir M. Visvesvaraya	Uplands, High Ground, Bangalore.
229	Mr. M. G. Mehta	Messrs. Bakubhai Ambalal & Co.	Mahomed Building, 27, Bastion Road, Fort, Bom.
230	Sir Jamsetjee Jijibhoy, Bart.	Sir Jamsetjee Jijibhoy Bart.,	"Mazgaon Castle," Mazagon, Bom.
231	Mr. P. N. Vevaina	Messrs. Nanavati Vevaina & Co.	Sudama House, Ballard Estate, Bom.
232	,, Jeewandas P. Dutia	Messrs. The Jupiter General Insurance Co., Ltd.	Tamarind Lane, Fort, Bom.
233	,, B. M. Bhargava	,, The Union Bank of India Ltd.	Apollo Street, Fort, Bom.
234	,, Gulabchand Naginchand	,, The Pearl Merchants and Jewellers' Association	25-39, Mumbadevi Road, Bom.
235	,, R. N. Bapasola	Mr. R. N. Bapasola	Forbes Street, Fort, Bom.
236	,, Manmohandas Madhavdas Amersey	Messrs. Amersey & Sons	Sudama House, Ballard Estate, Bom.
237	,, Lalji Rowji Khant	,, Shoorji Vallabhdas Colour Co.	Samuel Street, Bom.
238	,, Ratansey Karsandas	Messrs. Karsandas Ranchhoddas	66, Bazar Gate Street, Fort, Bom.
239	,, Jehangir P. Katgara	,, Jeena & Co.	Gresham Building, Esplanade Road, Fort, Bom.

No.	Representative.	Member.	Address.
240	Mr. Dhruva Sumanas	Mr. Dhruva Sumanas	Murzbanabad Road, Andheri.
241	„ Nensey Narandas Topan	Messrs. Narandas Topan	Tamba Kanta, Pydhonie, Bom.
242	„ Keshavlal Lallubhai	Mr. Keshavlal Lallubhai	Khokha Bazar, Bhajipalal Lane, Bom.
243	„ Morarji Mulraj Khatau	Messrs. The Khatau Makanji Spg. & Wg. Co., Ltd.	Laxmi Building, 42, Ballard Road, Bom
244	„ Raghunath Chintaman Sohoni.	Mr. Raghunath Chintaman Sohoni	996, Sadashiv Peth, Poona City.
245	„ Cursetji Limji	Messrs. The Bombay Cycle and Motor Agency, Ltd.	16, New Queen's Road, Bom.
246	„ Nassurvanji S. Guzdar	„ Nassurvanji S. Guzdar & Co.	Canada Building, Home Street, Fort, Bom.
247	„ Gordhandas Goculdas Morarji.	Mr. Gordhandas Goculdas Morarji	"Mor Baug" Nayagaum Road, Dadar, Bom.
248	„ Devidas Shamjee	" Devidas Shamjee	Mulji Jetha Market, Chowk, Bom.
249	„ Girdhardas Liladhar	Messrs. Girdhardas Liladhar & Co.	16, Apollo Street, Fort, Bom.
250	„ B. Das	Mr. B. Das	Consulting Engineer. P. O. Chandni Chowk, Cuttack.
251	„ Hiralal Chhaganlal	Messrs. Chhaganlal & Co.	Carnac Bunder, Bom.
252	*Mr. Maneklal Chunilal*	*Messrs. Chunilal Harilal & Co.*	*4, Green Street, Fort, Bom.*
253	„ Chaturbhuj Khiasee	Messrs. Chaturbhuj Khiasee & Co.	81-33, Chinch Bunder Road, Bom.
254	„ Amiruddin Shalebhoy Tyebji.	" Shalebhoy Tyebji & Sons	28, Bank Street, For, Bom.
255	„ Vishvanath P. Vaidya	Mr. Vishvanath P. Vaidya	Kirti Building, 37-39, Forbes St. Fort, Bom.
256	„ Behramji N. Gamadia	" Behramji N. Gamadia	18, Homji Street, Fort, Bom.
257	„ H. M. Chowna	Messrs. H. M. Chowna & Co.	73, Apollo Street, Fort, Bom.
258	„ S. D. Saklatvala	" Tata Mills Ltd.	Bombay House, Bruce Street, Fort, Bom.
259	„ N. B. Saklatvala	„ The Svadeshi Mills Co., Ltd.	Bombay House, Bruce Street, Fort, Bom.
260	„ Mafatlal Gagalbhai	„ The Standard Mills Co , Ltd.	29, Rustom Bldg., Churchgate St., Bom
261	„ Chamanlal Girdhardas Parekh.	" The Industrial Bank of Western India, Ltd.	Lal Darvaja, Ahmedabad.
262	„ Habib Ismail	" Khoja Mithabhai Nathoo	Hanuman Building, Tamba Kanta, Bom
263	„ H. P. Mody	Mr. H. P. Mody	Cumballa Hill, Bom.
264	„ Ebrahim Gulamhussein Currimbhoy.	Mr. Ebrahim Gulamhussein Currimbhoy (of Messrs. Currimbhoy Ebrahim & Sons)	12-14, Outram Road, Fort, Bom.

No.	Representative.	Member.	Address.
265	Mr. Pirojshaw Ratanji Desai	Mr. Pirojshaw Ratanji Desai	Resham Building, Sydenham Road, Mandvi, Bom.
266	„ S. Haji	Messrs. Narottam Ltd.	Sudama House, 31, Sprott Road, Ballard Estate, Bom.
267	„ Shantikumar Narottam Morarjee.	Mr. Shantikumar Narottam Morarjee	Juhu, via Santa Cruz.
268	„ C. B. Nanavati	Messrs. The Eastern Bunkerers Ltd.	Sudama House, Ballard Estate, Fort, Bom.
269	„ R. M. Marshall	„ R. M. Marshall & Co.	Raja Terrace, Lamington Road, Bom.
270	„ Shiavax C. Cambata	„ Shiavax C. Cambata & Co., Ltd.	Cook's Building, Hornby Road, Fort, Bom.
271	Sir Currimbhoy Ebrahim Bart.	Sir Currimbhoy Ebrahim Bart.	12-14, Outram Road, Fort, Bom.
272	Mr. Curmali Ibrahim	Messrs. Curmali Ibrahim & Co.	165 167, Khoja Mohalla, Mandvi, Bom.
273	„ Hasam Rahimtulla	Mr. Hasam Rahimtulla	Sydney Park, Sydney Road, Bangalore.
274	„ Phirojshaw D. Patel	„ Phirojshaw D. Patel	Mulji Jetha Market, Govind Chowk, Bom.
275	„ Kallianji Curumsey Damji	Messrs. L. K. Vussonji & Co.	Queens Mansion, Bastion Road, Fort, Bom.
276	„ Chunilal B. Mehta	„ The Bombay Bullion Exchange, Ltd.	Shroff Bazar, Bom.
277	Sirdar Suleman Cassum Haji Mitha.	Sirdar Suleman Cassum Haji Mitha	27, Kolsa Mohalla, Pydhonie, Bom.
278	Sir Ibrahim Rahimtulla	Sir Ibrahim Rahimtulla	Ismail Building, Hornby Road, Fort, Bom.
279	Mr. Mafatlal Gagalbhai	Mr. Mafatlal Gagalbhai	Rustom Building, Churchgate Street, Bom.
280	„ Jugatram S. Vaidya	Messrs. The Zandu Pharmaceutical Work, Ltd.	Elphinstone Road, Bom. 13.
281	„ Framroze Pestonji	„ P. Framroze & Co.	"Standard Building," Hornby Road, Bom.
282	„ M. C. Ghia	„ M. C. Ghia & Co.	18, Humam Street, Fort, Bom.
283	„ Burjor S. J. Aga	„ Shapoorji N. Chandabhoy & Co.	"Morarbhai Building," 43, Apollo Street, Fort, Bom.
284	„ Kaikhushroo Bezenjee N Capadia.	Mr. Kaikhushroo Bezenjee N Capadia	"Capadia House" Cumballa Hill, Bom.
285	„ Hooseinally M. Rahimtulla.	Messrs. Jaffer Rahimtulla & Co.	Aga Khan Bldg., Dalal Street, Bom.
286	Hon. Raja Sir S. R. M. Annamalai Chetty.	Hon. Raja Sir S. R. M. Annamalai Chetty.	"Natana Vilas" 38, P. C. Road, Vepery, Madras.
287	Mr. Nagindas G. Shah	Messrs. Sankalchand G. Shah & Co.	Hanuman Building, Tamba Kanta, Bom.
288	„ Vadilal Maganlal	„ Messrs. Maganlal Dipchand	Khand Bazar, Bom.
289	„ Meyer Nissim	Mr. Meyer Nissim	137, Esplanade Road, Fort, Bom.
290	„ Parmananddas Kooverji Kapadia.	The Bombay Diamond Merchants' Association.	Dadina Building, Dhanji Street, Bom.

No.	Representative.	Member.	Address.
291	Mr. D. D. Writer ..	Messrs. D. Writer & Co. ..	Bhavanishanker Road, Dadar, Bom.
292	„ Popatlal Girdharlal ..	„ Messrs. Popatlal Girdharlal & Co. ..	Nanji Building, Circle, Fort, Bom.
293	„ Keshavprasad C. Desai	" The Industrial & Prudential Assurance Co., Ltd. ..	Jehangir Wadia Building, Esplanade Road, Bom.
294	„ Sorabji Rustomji Mody	" Furdoonji Khurshedji Mody & Sons ..	Reay Road, Tank Bunder, Bom.
295	„ Jawahirmal Mulchand	" Rai Bahadur Tikamchand ..	299, Kalbadevi Road, Bom.
296	„ Burjorji Pestonji Mehta	" The Bombay Glass Bangles Merchants' Association. ..	82, Bazar Gate Street, Fort, Bom.
297	„ Dhirajlal C. Modi ..	" The Gujerati Type Foundry ..	Gaiwadi, Girgaon, Bom.
298	„ Manu Subedar ..	„ The Peninsular Locomotive Co., Ltd. ..	Kodak House, Hornby Road, Fort, Bom.
299	„ G. F. Munshi ..	" The Gujrat Islam Match Mfg. Co., Ltd. ..	Kankaria Road, Ahmedabad.
300	„ Kalyanbhai Sarabhai Javeri. ..	" Sarabhai & Sons ..	76/80, Prince Bldg., Medows St. Bom.
301	„ Jugjivan Ujamshi ..	„ The Sugar Merchants' Association ..	Khand Bazar, Bom.
302	*Mr. R. S. Asavale* ..	Messrs. The Indian Co-operative Navigation & Tradi Co., Ltd.,	ian Building, Nicol Road. Ballard Estate, Bom.
303	„ C. R. H. Readymoney ..	" India International Co.	adymoney Mansion, Churchgate St., Bom.
304	„ Narayanlal Bansilal Pittee. ..	Mr. Narayanlal Bansilal Pittee	5-207-209, Kalbadevi Road, Bom.
305	„ F. E. Dinshaw ..	Mr. F. E. Dinshaw	Messrs. Payne & Co., Solicitors, Esplanade Road, Fort, Bom.
306	„ Sorab Dalal ..	Messrs. Sorab Dalal Tile Works	Vestview," Khanpur Road, Ahmedabad.
307	„ F. J. Bhumgara ..	Mr. F. J. Bhumgara	, Camomile Street, London, E. C. 3.
308	„ S. Bhattacherjee ..	Messrs. The Bengal Luxmi Cotte Mills, Ltd.	, Pollock Street, Calcutta.
309	„ Tricumdas D. Morarji	" The Dharamsi Morarji Chemical Co., Ltd.	dama House, Ballard Estate, Bom.
310	„ Bhogilal Laherchand Javeri. ..	„ Batliboi & Co.	rbes Street, Fort, Bom.
311	„ Mahomed Akbar A. Fazulbhoy. ..	„ Bombay Motor Exchange	7-69, Queen's Road, Opp. Marine Station, Bom.
312	„ H. F. Commissariat ..	Mr. H. F. Commissariat	ommissariat Building, Hornby Road, Fort, Bom.
313	„ Farroke E. Bharucha .	" Farroke E. Bharucha	mada Building, Hornby Road, Bom.
314	Pt. Shiv Kishan Kaul ..	Messrs. Sir Daya Kishan Kaul & Sons.	), Abbott Road, Lahore.

No.	Representative.	Member.	Address.
315	Sir Byramjee Jeejeebhoy	Sir Byramjee Jeejeebhoy	Alice Building, Hornby Road, Fort, Bom.
316	Mr. B. S. Lalkaka	Messrs. The Pioneer Magnesia Works	Chartered Bank Building, Esplanade Road, Fort, Bom.
317	„ Dharamsey Mulraj Khatau.	Mr. Dharamsey Mulraj Khatau	42, Ballard Road, Fort, Bom.
318	„ Ramdev Anandilal Podar	Messrs. Anandilal Podar & Co.	Marwari Bazar, Bom.
319	„ Jehangir Ruttonji Dubash	Mr. Jehangir Ruttonji Dubash	24, Carnac Bridge Road, Akbar Press, Bom.
320	„ Govinddas Maneklal	" Govinddas Maneklal	Asarva Road, Ahmedabad.
321	„ Purshottamdas H. Shah	Messrs. Bhaidas Karsondas & Co.	7.10, Elphinstone Circle, Bom.
322	„ Bhagwandas Ramchund	„ Narotumdas Ramchund & Co.	C/o Mackinnon Mackenzie & Co. Ballard Estate, Bom.
323	„ Vrajlal Jivandas	„ Laxmidas Vrajlal & Co.	100.102, Girgaum Back Road, Bom.
324	„ J. K. Dubash	Mr. J. K. Dubash	Dady House, Churchgate Street, Bom.
325	„ Mulji Lukhmidas	Messrs. Vussonji Morarji	36, Holi Chakla, Bom.
326	„ Babubhai Manji Sanghvi.	" R. Ratilal & Co.	61, Clive Road, Dana Bunder, Bom.
327	*Mr. Ramdas Raghowji*	Messrs. Raghowji Govindji & Co.	Mulji Jetha Market, Navi Galli, Bom.
328	„ Jagmohundas Kaliandas	Mr. Jagmohundas Kaliandas	"Laila Hall", Mount Mary, Bandra.
329	„ M. S. Captain	Messrs. Captain & Vaidya	121, Esplanade Road, Fort, Bom.
330	„ Lachmandas Harkhchand Daga	" Rai Bahadur Bansilal Abirchand	558/62, Shaikh Memon Street, Bom.
331	„ Tribhovan Kesavji	" Tribhovan Kesavji & Co.	271, Frere Road, Fort, Bom.
332	„ Pestonji Naoroji Kapadia	" Madhowji & Naoroji	113, Esplanade Road, Fort, Bom.
333	„ Hormasji Pestonji Kapadia	" Madhowji & Naoroji	113, Esplanade Road, Fort, Bom.
334	„ Nanji Ludha	" Kurpal Harsey & Co. (The Bombay Rice Merchants' Association)	New Chinch Bunder Road, Bom.
335	„ Sunderdas Thakersey Rajda.	Mr. Sunderdas Thakersey Rajda	145, Old Hanuman Lane, Kalbadevi Road, Bom.
336	„ Gopalji Ratansey	Messrs. Jethabhai Gopalji & Co.	Mulji Jetha Market, Pragraj Galli, Bom.
337	„ Chunilal B. Mehta	Mr. Chunilal Bhaichand Mehta	51, Marwari Bazar, Bom.
338	„ Apaji B. Amin	Messrs. Apaji Amin & Co.	417, Kalbadevi Road, Bom.
339	„ J. L. Mehta	„ The Bombay Life Assurance Co., Ltd.	73-75, Apollo Street, Fort, Bom.
340	„ Ratilal M. Nanavati	„ Kantawalla Nanavati & Co., Ltd.	30, Tamarind Lane, Fort, Bom.

No.	Representative.	Member.	Address.
341	Mr. H. R. Dadabhoy ..	Messrs. Sorabji Shapurji & Co., Ltd.	Asian Building, Nicol Road, Ballard Estate, Bom.
342	„ J. B. Boman-Behram ..	Mr. J. B. Boman-Behram	Sea-side, Colaba, Bom.
343	„ Harishanker N. Pandya .	Messrs. Jeewanlal (1929) Ld.	Kansara Chawl, Kalbadevi Road, Bom.
344	„ Sultan Chinoy ..	„ The Bombay Garage	Opp. Band Stand, Chaupatty, Bom.
345	„ Pherozeshah J. Marzban.	„ J. B. Marzban & Co.	Jam-e-Jamshed Office, Ballard House, Mangalore St., Fort, Bom.
346	„ Ahmed N. Futehally ..	„ N. Futehally & Co.	19, Bank Street, Fort, Bom.
347	„ Ballabhdas Eshwardas Agrawal ..	Mr. Ballabhdas Eshwardas Agrawal	Khandwa, C.P.)
348	„ Bhawanji A. Khimji ..	Messrs. Arjan Khimji & Co.	Navsari Chambers, Outram Road, Fort, Bom.
349	Major S. A. Paymaster. ..	Major S. A. Paymaster	Adenvalla House, Mathew Road, Bom.
350	Mr. Mathradas Khimji ..	Messrs. The Jamnadas Nursey Ginning & Pressing Co., Ltd.	Albert Building, Hornby Road, Fort, Bom.
351	„ Karamchand Chunilal	Mr. Karamchand Chunilal	Sriram Mansion, Sandhurst Road, Bom.
352	Seth Kasturbhai Lalbhai ..	Seth Kasturbhai Lalbhai	Pankor Naka, Ahmedabad.
353	Mr. Rustom Pestonji Masani.	Mr. Rustom Pestonji Masani	Varsova, Via Andheri.
354	„ Dwarkadas Chhotalal Vakil ..	„ Dwarkadas Chhotalal Vakil	Wakefield House, Ballard Estate, Bom.
355	Rao Bahadur Laxman Vishwanath Pophale ..	Rao Bahadur Laxman Vishwanath Pophale ..	Malegaon, (Nasik District).
356	Mr. Dayaram Surajmal Lahoti	Messrs. Mahaboob Shahi Kulbarga Mills Co., Ltd. ..	133, Prendergast Road, Secunderabad (Dn.)
357	„ Girdharlal H. Lohana ..	Mr. Girdharlal H. Lohana	Duncan Road, Bom. 4.
358	„ D. T. Thadhani ..	Messrs. T. S. Thadhani & Sons	Kazi Syed Street, Bom.
359	„ M. L. Dahanukar ..	Mr. M. L. Dahanukar	Shri Krishna Nivas, Kalbadevi Road Bom.
360	„ D. M. Madon ..	Messrs. The Tata Iron & Steel Co., Ltd. ..	Bombay House, Bruce Street, Fort, Bom.
361	„ Mathuradas Vissanji ..	Messrs. Vissanji Sons & Co.	9, Wallace St., Fort, Bom.
362	„ Nemchand Abhechand .	„ Nemchand Khimchand Co...	182, Shaikh Memon Street, Bom.
363	„ Motilal Bawalal ..	Messrs. Motilal Bawalal	Dalal Street, Fort, Bom.
364	„ N. N. Dutt ..	Messrs. Hindusthan Co-operative Insurance Society, Ltd.	Commissariat Bldg., Hornby Road, Fort, Bom.
365	„ Hargovandas Jeevandas	Mr. Hargovandas Jeevandas	Popatvadi, Kalbadevi Road, Bom.
366	„ Preheladji D. Bhatt ..	Messrs. Purshotam Mathradas & Co., Ltd. ..	80, Kazi Syed Street, Bom.
367	„ Ebrahim Curmally ..	Messrs. Curmally Janmahomed ..	160, Samuel Street, Bom.

No.	Representative.	Member.	Address.
368	Mr. N. W. Gurjar	Messrs. Kirloskar Bros. Ltd.	Kirloskarvadi, (Dist. Satara).
369	„ M. L. Dahanuker	The Maharashtra Chamber of Commerce.	Phoenix Bldg., Ballard Estate, Fort, Bom
370	„ Jayantilal Devidas	Mr. Jayantilal Devidas	Carnac Bunder, Bom.
371	„ R. Hashmatrai	Messrs. Dhanamal Chellaram	5, Medows Street, Fort, Bom.
372	Khan Bahadur D. B. Cooper	The Cooper Engineering Works	"Huntworth," SATARA.
373	Mr. Mulraj Karsondas	Messrs. Mulraj & Co.	5, Dalal Street, Fort, Bom.
374	„ Reginald Herber Parker	Bombay Telephone Co., Ltd.	Home Street, Fort, Bom.
375	„ G. K. Dalal	Messrs. Dalal & Mehta	41, Medows Street, Fort, Bom.
376	„ Natvarlal Bhagvanlal Desai.	„ Natvarlal & Co.	Whiteaway Laidlaw Bldg., Hornby Road Fort, Bom.
377	„ G. S. Mahomed	Mr. G. S. Mahomed	149, Samuel Street, Bom. 3.
378	„ Tulsidas Khimji	„ Tulsidas Khimji	46, Churchgate Street, Fort, Bom.
379	„ Ranchhoddas Harkisondas Merchant.	„ Ranchhoddas Harkisondas Merchant	Justice Patker's House, Hughes Road Bom.
380	Mr. Bhaidas Maganlal	Mr. Bhaidas Maganlal	Janmastami Bldg., Khetwady Main Road, Bom.
381	„ Jugmohandas J. Kapadia	„ Jugmohandas J. Kapadia	10/12, Dr. Wilson Street, Girgaum, Bom.
382	„ A. A. Jasdenvala	Messrs. Adamji Lookmanji & Co.	127, Fort Street, Fort, Bom.
383	„ D. Cowasji	Messrs. D. Cowasji & Co. Ltd.	20, Fort Street, Fort, Bom.
384	„ H. B. Reporter	„ Empress Iron & Brass Works	Connaught Road, Parel, Bom.
385	„ Virchand Panachand Shah.	„ Virchand Panachand & Co.	Gaumukh Bhuvan, Masjid Bunder Road, Bom.
386	„ Khimji Madan Bhujpuria	The Bombay Grain Dealers' Association	Cutchi Dasha Shrimali Mahajanwadi, Kandewady, Bom.
387	„ Nagindas Tribhowandas Master.	Mr. Nagindas Tribhowandas Master	94, Medows Street, Fort, Bom.
388	„ Shivramdas B. Kedia	Messrs. Shivramdas Gangaprasad Kedia	556, Shaikh Memon Street, Bom.
389	„ Ardeshir Rustomji Billimoria.	Madan Theatres, Ltd.	Excelsior Theatre, Fort, Bom.
390	„ H. M. Mehta	Messrs. H. M. Mehta & Co.	Apollo Street, Fort, Bom.
391	„ Arvind N. Tana	Mr. Arvind N. Tana	Dahanu (B. B. & C. I. Rly.)
392	„ Jagjivan Ujamshi	„ Jagjivan Ujamshi	Wadia Building, Dalal Street, Bom.
393	„ Hemchand Mohanlal	„ Hemchand Mohanlal	Dhanji Street, Bom.
394	„ Erachshaw R. Heerjibehedin.	„ Erachshaw R. Heerjibehedin	Kaiser-Chambers, Elphinstone Circle, Fort, Bom.

No.	Representative.	Member.	Address.
395	Mr. V. Kamaraj ..	T. C. P. A. Yelasarakku Virpanai Co., Ltd. ..	74-76, Kazi Syed Street, Bom. 3.
396	„ Mangaldas B. Mehta ..	Messrs. Amarchand & Mangaldas ..	36, Tamarind Lane, Fort, Bom.
397	„ V. G. Motwani ..	Eastern Electric & Engineering Co.	175, Hornby Road, Fort, Bom.
398	„ Dwarkadas Haridas ..	The Bombay Hosiery Merchants' Association ..	Chukla Street, Bom.
399	„ Devji Tokersey Moolji	Mr. Devji Tokersey Moolji ..	Bhat Bazar, Mandvi, Bombay.
400	„ Valabhdas Tejpal ..	„ Valabhdas Tejpal ..	219, Vadgadi, Bom.
401	„ Fakirjee Cowasjee ..	Messrs. Cowasjee & Sons ..	Kimari, Karachi.
402	„ Choonilal Girdharlal ..	„ Choonilal Girdharlal & Co.	Rustom Buldg., Churchgate Street, Fort, Bom.
403	„ Ratilal Mulji Gandhy ..	The Seeds Traders' Association ..	Gaya Building, Musjid Bunder Road, Bom.
404	Sir Chunilal V. Mehta ..	Sir Chunilal V. Mehta ..	Phoenix Bldg., Ballard Estate, Fort, Bom.
405	Mr. Amritlal Popatbhai ..	Messrs. Amritlal Popatbhai & Co. ..	Agakhan Building, Dalal Street, Fort, Bom.
406	„ Lalbhai Manilal Lalubhai Teli.	Mr. Lalbhai Manilal Lalubhai Teli	New Bhuttwadi, Girgaon, Bom.
407	*Mr. Goolamhusein Ebrahim*	*Messrs. Abdoolally Ebrahim* ..	121, Nagdevi Street, Bom.
408	„ Pheroze H. Sidhwa ..	„ Bharat Flooring Tiles Co. ..	20, Apollo Street, Fort, Bom.
409	„ H. S. Mitha ..	Mr. Husein Suleman Mitha ..	Sugar Market, Bom. 3.
410	„ Ranchhoddas Jethabhai	Messrs. Ranchhoddas Jayram & Sons.	Dongri Street, Bhat Bazar, Bom.
411	„ K. S. Ramchandra Iyer	The Indian Insurance Companies' Association ..	Jehangir Wadia Bldg., Esplanade Road, Fort, Bom.
412	„ Hiralal D. Nanavati ..	Mr. Hiralal D. Nanavati ..	80, Esplanade Road, Fort, Bom.
413	„ D. H. Vakil ..	Messrs. Vakil & Co. ..	Kaiser-Gunj, Ajmer.
414	„ Morarji Padamsey ..	Mr. Morarji Padamsey ..	346, Hornby Road, Fort, Bom.
415	„ Thakoredas Nanabhai Merchant ..	„ Thakoredas Nanabhai Merchant ..	Khakhar Building, C. P. Tank Road, Bom.
416	„ Gopaldas Poonja ..	Messrs. Khimji Poonja & Co. ..	9-13, Humum Street, Fort, Bom.
417	Sir Cowasji Jehangir (Jr.) ..	Sir Cowasji Jehangir (Jr.) ..	Readymoney Mansions, Churchgate Street Fort, Bom.
418	Mr. F. D. Dhondy ..	Messrs. Patel & Dhondy ..	Devkaran Mansion, Princess Street, Bom.
419	„ Ramdas K. Hargovan ..	Mr. Ramdas K. Hargovan ..	167-71, Cavel Street, Bom.
420	„ Abdealli M. Kajiji .	Mr. Abdealli M. Kajiji ..	"Dilkush," Grant Road, Bom.
421	„ Jetha Monsi ..	Messrs. Lalji Jetha & Co. ..	Duncan Road, Bom. 4.

No.	Representative.	Member.	Address.
422	Mr. Dwarkadas Sunderdas.	Messrs. Sunderdas Dwarkadas & Co.	42, Humum Street, Fort, Bom.
423	,, Maneklal B. Patel ..	,, Shri Krishna Film Co. ..	162, Dadar Road, Dadar, Bom.
424	,, Amritlal D. Sheth ..	,, Saurashtra Ltd. ..	Ranpur (Kathiawar).
425	,, Maneklal Premchand ..	Mr. Maneklal Premchand ..	63, Apollo Street, Fort, Bom.
426	,, Dhansukhlal C. Mehta	Messrs. Mehta Vakil & Co. ..	Wadia Bldg., Dalal St., Fort, Bom.
427	,, Abdultyeb E. Muskati ..	Mr. Abdultyeb E. Muskati .	186-88, Nagdevi Street, Bom.
428	,, Venkatnarayan Patruni	Mr. Venkatnarayan Patruni ..	366, Girgaum Road, Bom.
429	,, Pitamber Mohanlal ..	Messrs. D. Mohanlal & Co. ..	Chuckla Street, Jackeria Masjid, Bom.
430	,, Dostmahomed Munji ...	,, Munji Nathoobhoy & Co. ..	12-13, Dougall Road, Ballard Estate, Fort, Bom.
431	,, Rustomji Dorabji ..	Messrs. Wellington & Co. ..	Hornby Road, Fort, Bom.
432	,, K. J. Divecha ..	Messrs. Wright & Co. ..	Mint & Frere Roads, Fort, Bom.
433	,, Lalji Ravji ..	,, Ravji Nensee & Co. ..	Ganpat Nappoo Building, New Chinch Bunder, Bom. 9.
434	,, Premji Devji ..	,, Devji Khetsey & Co. .	New Chinch Bunder, Mandvi, Bom.
435	*Mr. Naranlal Jivanlal* ...	*Messrs. The Ahmedabad New Standard Mills Co., Ltd.* .	Railwaypura Post, Ahmedabad.
436	,, Mahomed Karim Khaledi	Mr. Mahomed Karim Khaledi ..	108, Medows Street, Fort, Bom.
437	,, Maturadas Kanji Mattani	The Bombay Rice Merchants' Association ..	Carnac Bunder, Bom.
438	,, Shah Parshottam Shamji	Mr. Shah Shamji Vallabhji ..	Mulji Jetha Market, Sunder Chowk, Bom.
439	,, J. A. D. Naoroji ..	Messrs. The Tata Oil Mills Co., Ltd.	Bombay House, Bruce Street, Fort, Bom.
440	,, Morarji Narottam ..	,, The Pralhad Mills, Ltd. ..	Gresham Building, Esplanade Road, Fort, Bom.
441	,, Phiroze C. Cooper ..	Messrs. Boyce & Co.	20, Fort Street, Fort, Bom.
442	,, Hargovindas B. Kotak	Messrs. Kotak & Co. ..	Navsari Building, Hornby Road, Fort, Bom.
443	,, Taherally Mahomedally	The Bombay Iron Merchants' Association ..	Carnac Bunder, Bom.
444	,, J. D. Kothawala ..	Messrs. Polson Mfg. Co., ..	211-219, Frere Road, Fort, Bom.
445	,, Haji Oosman Poonawala	,, Haji Oosman & Co., .	"Noor House", 9, Club Back Road, Bom.
446	,, Maneksha N. Pochkhanawalla ..	Messrs. Wadia, Ghandy & Co., ..	123, Esplanade Road, Fort, Bom.
447	,, Bhogilal C. Shah ..	The Chamber of Incometax Consultants.	15, Jiji House, Ravelin Street, Fort, Bom.
448	,, M. A. Master ..	The Indian National Steamship Owners' Association.	Sudama House, Ballard Estate, Fort, Bom.
449	,, Dharamdas Samaldas Purbhoodas ..	Mr. Dharamdas Samaldas Purbhoodas.	19, Mody Street, Fort, Bom.

No.	Representative.	Member.	Address.
450	Mr. Shamjee Premjee	Messrs. Ranchordas Purshotam & Co.	106, Khand Bazar, Bom.
451	,, Nandlal M. Bhuta	.. Messrs. M. Bhuta & Co.	68, Musjid Bunder Road, Mandvi, Bom.
452	,, Nadirshaw Kawasjee	.. Mr. Nadirshaw Kawasjee.	c/o Messrs. Nadirshaw Printer & Co., 125, Esplanade Road, Fort, Bom.
453	,, D. H. Bhiwandiwalla	.. Messrs. Hormusji Manekji. Dossabhoy Hormusji Bhiwandiwalla & Co.	583, Chira Bazar, Bom.
454	,, Phirozesha B. Petit	.. Messrs. Phirozesha B. Petit & Co.	Chateu Petit", Warden Road, Bom.
455	,, Jehangir B. Manekji	.. The General Engineering Corporation, Ld.	Sardar Mansion, Apollo Street, Fort, Bom.
456	,, C. G. Fozdar	.. The Asian Assurance Co., Ld.	Asian Building, Ballard Estate, Fort, Bom.
457	,, Ratilal Nathalal	.. Mr. Ratilal Nathalal	c/o Commercial Mills Co., Ltd., Ahmedabad.
458	,, Sakarlal Balabhai	The Sarangpur Cotton Mfg., Co., Ld.	Ahmedabad.
459	,, Motilal H. Parikh	.. Messrs. Lallubhai Amichand.	554, Kansara Chawl, Bom., 2.
460	,, N. M. Sampat	.. Messrs. S. Mitra & Co.	210, Nelewadi, Girgaum Road, Bom.
461	,, Byramjee Hormusjee	The Zenith Life Assurance Co., Ld.	Apollo Street, Fort, Bom.
462	Mr. Narayan Anant Desai	Messrs. Anant Shivaji Desai.	Moti Bazar, Bom., 2.
463	,, P. D. Chari	.. National Insurance Co., Ld.	Alice Building, Hornby Road, Fort, Bom.
464	,,	The Bombay Chemists & Druggists Association.	Devkaran Mansion, Princess Street, Bom.
465	,, Dewji Dayal Thacker	.. Mr. Dewji Dayal Thacker.	Jharia (Manbhum).
466	,, D. P. Tata	The Bombay Kariana Merchants' Association.	222-4, Vadgadi, Mandvi, Bom.
467	,, H. A. Lalljee	.. The Indian Match Manufacturers' Association.	Samuel Street, Mandvi, Bom.
468	,, Vithaldas Kanji	.. The Wallace Flour Mills, Co., Ld.	9, Wallace Street, Fort, Bom.

Rules and Regulations of the Indian Merchants' Chamber.

(As amended upto 24th January 1931.)

Name. 1. The Association shall be styled "The Indian Merchants' Chamber."

Office. 2. The office of the Chamber will be situate in Bombay.

Objects. 3. The objects for which the Chamber is established are :—

(*a*) To encourage friendly feeling and unanimity among business community on all subjects connected with the common good of Indian merchants.

(*b*) To secure organised action on all subjects relating to the interests of the Indian business community directly and indirectly.

(*c*) To promote the objects of the Indian business community in matters of inland and foreign trade, shipping and transport, industry and manufacture, banking and insurance.

(*d*) To collect and disseminate statistical and other information securing the promotion of the objects of the Chamber, and to make efforts for the spread of commercial and economic knowledge.

(*e*) To take all steps which may be necessary for promoting, supporting or opposing legislation or other action affecting the aforesaid interests by the Government or any Department thereof or by any local body or bodies and in general to take the initiative to secure the welfare of the business community in all respects.

(*f*) To make representations to Local, Central or Imperial authorities, Executive or Legislative, on any matter affecting trade, commerce, manufacture or shipping banking or insurance.

(*g*) To undertake by arbitration the settlement of commercial disputes between merchants and businessmen and also to provide for arbitration in respect of disputes arising in the course of trade, industry or transport, and to secure the services of expert technical and other men to that end if necessary or desirable.

(*h*) To advance and promote commercial and technical education and to found and support establishments and institutions for such purposes.

(*i*) To undertake special enquiries and action for securing redress for legitimate grievances of any branch of trade or industry as also all such other action as may be conducive to the extension of trade, commerce or manufacture or incidental to the attainment of the above objects.

(*j*) To secure the interests and well-being of the Indian business communities abroad.

(*k*) And generally to do all that may be necessary in the interests of the realisation of the above objects of the Chamber directly or indirectly.

4. *Ordinary:* There shall be three classes of members :—

Members. (1) Ordinary (2) Patrons and (3) Honorary.

(1) There will be three classes of Ordinary members :—

(*a*)—Residents of Bombay and its suburbs who will have to pay Rs. 75 as annual subscription; but Joint-Stock Companies will have to pay Rs. 100 per year.

(*b*)—Mofussil members who will have to pay Rs. 25 as annual subscription.

(*c*)—Associations which will have to pay Rs. 125 as annual subscription.

Admission Fee : All the ordinary members and patrons will have to pay Rs. 100 as admission fee which will be credited to a capital fund of the Chamber and shall not be expended on revenue account except with the consent of the general body.

(2) *Patrons*: Indian firms or individual Indian merchants can join as Patrons. Firms will have to pay Rs. 5,000 and individuals Rs. 2,500 as donation, the proceeds of

which will be credited to a capital fund which shall not be expended on revenue account but the interest whereof shall be taken to revenue account.

(3) *Honorary Members*: Gentlemen distinguished for public services or eminent in commerce and manufactures or otherwise interested in the aims and objects of the Chamber may be elected as Honorary Members by a General Meeting of the Chamber by two-thirds of the majority of members present at the meeting on the recommendation of the Committee and as such shall be exempted from paying subscriptions. They shall not be entitled to vote at any meeting of the Chamber nor shall they be eligible to serve on the Committee.

Eligibility for membership of the Chamber.

5. Any Indian gentleman, firm or association engaged in mercantile pursuits or interested in trade and commerce desirous of joining the Chamber shall be eligible for membership.

Election of Members.

6. (*a*) The applicant, whether an individual or a firm or an association, shall sign the admission form giving details of one's business and send it to the Secretary with signatures of the proposer and the seconder, who must be members of the Chamber. This application shall be submitted to the Committee who will fix the dates for the election by ballot, and appoint a scrutineer. At least seven days' notice shall be given to all the members, stating dates for voting and the names of candidates with their proposers and seconders. Votes shall be received during the said seven days from 11 a.m. to 4 p.m. (B.T.)

(*b*) On the seventh day the ballot-box shall be opened at 4 p.m. (B.T.) by a scrutineer and the Secretary who will jointly declare the result of the voting.

(*c*) At least one tenth of the members of the Chamber must register their votes to make the ballot valid.

(*d*) In all voting for election to membership the presence in the ballot-box of black balls in the proportion of one in six shall exclude.

Twelve negative votes shall be deemed to exclude.

Resignation.

7. A member wishing to resign shall give written notice to the Secretary not less than one calendar month before the completion of his annual period; otherwise he will be liable for the subscription for the next year.

Disqualifications of members.

8. A member shall be deemed to be disqualified if:

(*a*) he becomes an insolvent.

(*b*) he fails to discharge his subscription for a period extending over twelve months.

Privileges of members.

9. A member of the Chamber shall be entitled.

(*a*) To obtain gratis publications of the Chamber,

(*b*) To the free use of the Chamber's library,

(*c*) To vote at all meetings of the Chamber or on any matter referred to the General Body of members by circular.

(*d*) To be elected as an office-bearer of the Chamber.

Meetings of members.

10. There shall be held a general meeting of members, which shall be called the Annual Ordinary General Meeting within a month of the 31st December when the official year of the Chamber closes (provided that the Committee can extend the period upto a fortnight by a special resolution), to transact the following business :—

(*a*) To receive the Annual Report of the retiring Committee and the audited statement of accounts of the Chamber.

(*b*) To record the declaration of the result of election of office-bearers for the ensuing year.

(*c*) To elect an auditor for the ensuing year.

(*d*) To transact such other business of which notice may have been given by a member five clear days before the date fixed for the Ordinary General Meeting, and of which the Secretary will have given notice to the general body of members by post or otherwise two days before the date of the meeting.

There shall be held during the course of the year in addition to the Annual Ordinary General Meeting three other ordinary meetings

when a resume of the work done during the previous quarter will be supplied to members.

A Special General Meeting of members may also be called whenever the Committee think fit; and the Committee shall also call a Special General Meeting on the requisition in writing of at least 10 members of the Chamber stating the object of the meeting.

At least three days' clear notice shall be given to members specifying the day, place, hour and objects of the meeting even when the special General Meeting is convened by the Committee.

Ten days' clear notice of all other General Meetings, whether ordinary or special, shall be given to members specifying the day, place, hour and object of the meeting. Such General Meetings will also transact such other business of which notice has been given by a member five clear days before the date fixed for the meeting and of which the Secretary has given notice either by post or otherwise to the general body of members two days before the date of the meeting.

Quorum.

11. 15 members shall be deemed a quorum for a General Meeting whether Ordinary or Special. No business can be transacted at any General Meeting, whether Ordinary or Special, if within 30 minutes of the hour specified for the meeting no quorum is formed. In that case the meeting shall stand adjourned to such date, hour and place as the members present at the meeting may fix.

Adjourned meeting.

12. An adjourned meeting can transact the business for which it is called without the necessary quorum.

Chairman.

13. The Chairman of the Committee shall preside at every General Meeting or the Vice-Chairman in his absence. In the case of the absence of the Chairman as well as the Vice-Chairman, the members present may vote one from among themselves to take Chair.

Voting at meeting.

14. Every resolution submitted to the meeting shall be decided by a show of hands. In the case of equality of votes the Chairman shall have a casting vote in addition to his own vote. Each member has the right to speak and vote on any subject which may be submitted for

consideration at any General Meeting, provided that firm or association having more than one member shall have one vote only though its several members may be present at the meeting and take part therein.

Managing Committee.

15. At every Annual Ordinary General Meeting there shall be elected a Committee to carry out the objects of the Chamber, consisting of the Chairman, the Vice-Chairman, and 23 members.

Vacancy in the Committee.

16. The Committee shall fill up any vacancy of an ordinary member thereof occurring during the year.

Non-attendance of a member of the Committee without the previous permission of the Committee at meetings of the Committee for three months consecutively will be considered a disqualification for his membership of the Committee and his office shall be considered vacant for the purposes of this rule.

The Secretary will send a reminder to a member of this rule if he has absented himself for two months without the required permission.

Vacancy in the office of the Chairman or the Vice-Chairman.

17. Any vacancy during the year in the office of the Chairman or the Vice-Chairman created by resignation or by his going out of India for more than one month shall be filled up by election in accordance with rule No. 26.

If the Vice-Chairman goes on leave in India for more than one month, the Committee shall appoint a substitute during his absence from among its own members.

Retirement of the Committee.

18. The Committee shall retire at the end of its term of office but shall continue in office till its successor is appointed.

Rules of the Committee.

19. The Committee shall frame its own rules for the purpose of regulating its proceedings which may be amended or altered or revised as it may deem expedient.

Secretary.

20. The Committee shall have the power to appoint a Secretary on such remuneration as it may deem proper and prescribe his duties and functions.

21. The Committee shall cause accounts of the Chamber to be kept and all receipts and funds shall be paid into such bank or banks as may be selected by it. Such accounts shall be regularly audited at the close of the year, and adopted at the Ordinary Annual General Meeting.

Accounts of the Chamber.

22. The Committee shall meet at least once a month to dispose of all communications and references and consider all matters which may be on the agenda.

Meeting of the Committee.

23. The Committee shall cause to be kept a book in which the minutes of the proceedings shall be regularly recorded.

Minute Book.

If a member of the Chamber wishes to see this minute book he can do so after giving at least 24 hours' notice to the Secretary of the Chamber.

24. After the commencement of a new official year, representatives of principal trades who are members of the Chamber shall be asked by the Committee to elect Sub-Committee of five members from amongst themselves. All questions relating to these trades coming before the Committee during the course of the year shall be first referred to such Sub-Committee whose suggestions shall then be placed before the Committee. Such Sub-Committees shall be formed only for those trades which have at least ten representatives as members of the Chamber. The work of electing Sub-Committees shall ordinarily be done by the representatives themselves, but they can have the assistance of the Secretary of the Chamber if they require it.

Sub-Committees.

The Committee shall at their discretion appoint a Sub-Committee from among their members to consider and report upon such special matters as they may deem expedient and they shall also have the power to invite at their meeting persons other than members of the Chamber and the Committee to consult them or take their advice on such matters as may be deemed necessary.

25. The Secretary shall state in the register of members of the Chamber names of gentlemen who may be representing, for the time being, any members of the Chamber whether associations, firms or individuals. These names will also be given in the list of members submitted to members for the election of office-bearers and representatives of the Legislative Council and such other public bodies. The elected gentlemen will be considered to be personally elected as representing particular members, and on their place falling vacant through any reason a fresh election will be made according to the rules in force for the time being.

Register of members.

Any member of a firm or its representative, being on that account a member of the Chamber, on his severing the partnership or connection with the firm, will no longer be a member of the Chamber.

This rule will not affect Rule No. 14.

This register shall contain details regarding business of all members and shall also record the classified lists of members according to different trades.

26. A list of members of the Chamber together with a list showing the attendance of members of the Committee at their meetings during the year shall be circulated by the Secretary amongst all the members before the 15th of January. Within a week of the receipt thereof nominations for Presidentship, Vice-Presidentship, and membership of the Committee duly proposed and seconded and approved by the nominee shall be sent to the Secretary. The Secretary shall prepare and publish a list of nominations received by him together with the names of their proposers and seconders. This list shall be called the voting paper. Voting papers shall be sent to the members of the Chamber seven clear days before the date fixed for the election. The President and the Vice-President shall be elected from among the nominations received for Presidentship and Vice-Presidentship respectively and 23 Members of the Committee shall be elected from among the nominations received for membership of the Committee. Votes recorded for a candidate

Election of Committee.

for Presidentship will be *ipso facto* recorded for his election as a member of the Committee. President and Vice-President shall be ex-officio members of the Committee.

The voting shall be by means of voting papers received in the ballot-box on days fixed by the Committee marked with crosses against the names of members whom they wish to propose as office-bearers.

The voting by ballot will be carried on in the following manner:—Big and small printed envelopes addressed to the Secretary of the Chamber will be sent to members with voting papers. Members will enclose their voting papers in the small envelope and then enclose both this envelope and a letter duly signed stating that the voting paper is sent by them in the big envelope and send this to the Secretary who will open it placing the letter with the signature in one box and the small envelope containing the voting paper, which shall be unsigned, in the ballot-box.

The retiring Committee shall appoint two scrutineers who must be members of the Chamber, who with the Secretary will open the ballot-box on the day following the ballot days and declare the result. Those who have obtained the highest number of votes shall be deemed to be duly elected. But in the event of refusal to serve on the part of any one or more of them, the member or members who has or have obtained the next highest number of votes shall be considered to be elected in his or their place. The new Committee shall take office on the first day succeeding the holding of the Ordinary Annual General Meeting and they shall so continue to act until the holding of the next Ordinary Annual General Meeting. A member or members of the Chamber representing it in the Bombay Legislative Council, the Bombay Port Trust or the like public bodies will be ex-officio members of the Committee if they are not already members of the same. Such ex-officio Members shall not however be precluded from contesting the general election.

(*a*) The new Committee shall co-opt, out of the General Body of Members, 40 (Forty) per cent. of the Association members.

(*Note*).—For the purpose of calculation under this Rule, fractions will be ignored.

(*b*) The new Committee shall further co-opt three ordinary members, who in their opinion will prove useful to them for consultation.

Such co-opted members will be elected by the Committee at its first meeting by ballot from among the members proposed at the meeting by members of the Committee.

Equality of vote.

27. In the case of equality of votes recorded for the election of the Chairman or the Vice-Chairman or both, the Committee will invite a second ballot as to who shall be elected. In the case of equality of votes recorded for members of the Committee lots will be drawn and the election be declared in favour of the member who draws the lot.

Visitors.

28. Any person resident out of Bombay, engaged or interested in mercantile pursuits visiting Bombay may be introduced as a visitor by any member of the Chamber who has previously obtained permission of the Chairman or in his absence the Vice-Chairman, through the Secretary, provided that a residence beyond one month shall subject such visitors to the rules for the admission of members.

Funds of the Chamber.

29. All moneys or funds of the Chamber shall be primarily paid into the hands of the Secretary who shall pay the same into an account to be opened with any bank that may be approved by the Committee in the name of the Chamber. All cheques on that account shall be signed by the Chairman or in his absence by the Vice-Chairman for the time being and a member of the Committee. In the absence of both the Chairman and the Vice-Chairman cheques shall be signed by two members of the Committee. All cheques shall be countersigned by the Secretary.

Expulsion of members.

30. The Chamber reserves to itself the right of expelling any member in case he does any act or pursues any conduct that is either in contravention of the rules of the Chamber or detrimental to its credit or is in any way injurious to its welfare and interest or by any other good and sufficient reasons it is thought desirable to remove him from his membership of the Chamber. But action on that behalf shall

only be taken on the resolution of a General Meeting whereat four-fifths of members present have voted in favour of the proposal.

Alteration in Rules and Regulations.

31. The foregoing rules and regulations shall be copied in book to be kept with the records of the Chamber. Printed copies of the same shall be forwarded to all the members and no alteration or addition shall be made therein or thereto save and except by a majority of three-fourth of the members of the Chamber present at a General Meeting convened by a notice issued at least 7 clear days before the holding of such a meeting and in which all the terms of proposed alterations or additions shall have been clearly set forth.

RULES OF THE COURT OF ARBITRATION OF THE CHAMBER.

As it is desirable that there should be a tribunal for the speedy disposal of disputes and differences arising between merchants, the Indian Merchants' Chamber has adopted the following Scheme :—

1. There shall be a court of Arbitration working under the supervision and guidance of the Chamber.

2. The Council of the Chamber shall prepare a list of not less than 60 persons who having consented to do so shall form the Court of Arbitration. Whenever called upon a member or members shall solely or jointly constitute a tribunal for the disposal of a case referred to him or them.

3. There shall be a committee of five members elected by the Court from among themselves who shall regulate the appointment of arbitrators by the parties for the tribunal, preparing and revising rules of procedure and preparing tables of fees to be charged and paid.

4. This Committee shall be a permanent body but so that two members thereof shall retire every year and whose places shall be filled up by the Court. The retiring members shall be eligible for re-election.

5. In electing members of the Court the Council of the Chamber shall have regard to the recommendation of the Chambers of Commerce and Trade Associations affiliated to this Chamber.

6. The Secretary of the Chamber shall be the Registrar of the Court. It shall be his duty to act as Secretary of the Court, its Committee and its tribunal and keep records and do all the executive work of the Court.

7. The rules of the Indian Arbitration Act of 1899, and Schedule 2 of the Civil Procedure Code of 1908 (Arbitration) will apply to the arbitrations under these rules except as modified by them.

8. The disputants who wish to take advantage of this scheme shall execute a reference paper in the form prepared by the Committee of the Court and file the same with the Registrar.

9. The Registrar will place reference papers before the Committee of the Court. Parties should nominate arbitrators and in case of their failure to do so within a week from the day of filing reference the Committee of the Court shall appoint two arbitrators, and direct to procure their consent to act in the tribunal. This having been obtained and the tribunal constituted the Registrar shall fix a day for the trial and give notice thereof to the parties.

10. On the day fixed for trial and before they commence it, the Arbitrators, if they are more than one, between themselves fix upon an Umpire who should take up the arbitration in case of the difference of opinion between the arbitrators. This name shall not be disclosed but shall be written on a paper, put in an envelope sealed. The envelope shall be handed over to the Registrar who will open it only in case of difference of opinion and thereupon immediately request the Umpire to take up the matter.

11. The arbitrators may take oral or documentary evidence, hear parties or their agents, may take expert advice and do every thing in the matter to come to a right decision of the case.

12. Within one month from the filing of the reference, or such further time as they may extend, the arbitrators shall prepare a written award, sign the same in the presence of the Registrar and hand over the same to him.

13. The arbitrators in their decision may by writing extend the time to make their award but in no case it will be later than

three months from the date of reference. If they fail to make the award within the time prescribed, the Registrar shall forthwith request the Umpire to take up the matter.

14. The Umpire shall make his award within a fortnight from the day he takes it up provided he extends the time to do so by writing, but such shall not exceed two months from the day on which he has taken up the matter. If he fails to give his award during that time the arbitration shall lapse and the parties may put in a fresh reference.

15. The parties to an arbitration shall pay to the Registrar such fees as may from time to time be fixed by the Committee of the Court.

16. The arbitrators of a tribunal or an Umpire are entitled to such fee or fees for their services as may be fixed by the Committee of the Court.

RULES PREPARED BY THE COMMITTEE OF THE COURT FOR CARRYING ON THE WORK OF THE ARBITRATION COURT.

The provisions of Act IX of 1899 (Arbitration), will apply to all the arbitration made to this Court under its rules.

2. Under these rules the word " The Court " means the Court appointed by the Committee to the Arbitration Court.

3. The disputants shall prepare a submission paper in the form (1) of the Indian Arbitration Act, copies whereof will be supplied by the Registrar on payment of one anna.

4. The submission paper shall state :

(*a*) The name of disputants made over in several numbers and arranged as far as practicable as Plaintiffs and Defendants.

(*b*) Each party shall mention in short the facts of his case.

(*c*) Specify the name of the sole Arbitrator or two Arbitrators as the case may be to whom the submission would be made.

(*d*) Specify whether the Arbitrator or Arbitrators have consented to take up the arbitration.

(e) A statement showing that the party shall abide by the award made by the Arbitrator or Arbitrators or the Umpire unless it is bad in the Law.

(f) Specify that they have paid Rs. 20 to the Registrar at the time of the submission paper or in case of more arbitrators than one, Rs. 20 for each arbitrator named.

(g) The disputants who are not members of the Chamber shall pay double the fees mentioned in Schedule.

5. On receipt of the reference paper the Registrar shall fix a day for the hearing of the case and give notice to the Arbitrators and the parties. In case any of the Arbitrators refuses to act, the Committee shall be called upon to nominate an Arbitrator in his place who after signifying his consent will at once take up the matter.

6. The Registrar shall issue notices to the parties to appear before the Arbitration Court with the papers proving their case and the witnesses, if any.

7. The Court before proceeding with the case and if the Arbitrators are more than one shall write down the name of the Umpire in case of their disagreement, and place the paper in an envelope, seal it and hand it over to the Registrar. The name shall not be mentioned to any person until on the opening of the envelope, by the Registrar as hereinafter provided.

8. The Arbitrators shall hear the parties and their witnesses, consider the documents produced and thereafter adjourn to consider their award.

9. Within the time fixed by the Court Rule XII and within such extended time as may be fixed by the Court but in no case more than three months from the date of the submission, the Arbitrators shall sign their award in the presence of the Registrar who will attest the same and file it.

10. The Arbitrators shall in the arbitrations make provision for the costs and the proportion in which and by whom and to whom to be paid.

11. If the hearing lasts for more than one day of two hours at a time the arbitrators may fix upon the amount of the Court's costs to be paid per diem by the parties.

12. If the arbitrators do not agree as to the award the non-agreement shall be notified to the Registrar who will open the sealed envelope and will at once refer the matter of difference to the Umpire who will make his award within the time prescribed by Rule XIV of the Court's Rules.

13. When the award is made by the Umpire the same shall be signed by him in the presence of the Registrar who will attest it and file it.

14. The Registrar shall within four days from the filing of the award give notice to the parties and, when applied for, give a copy of the same to him or them.

15. The fees fixed in the Schedule annexed hereto shall be charged under these rules.

SCHEDULE.

(1) Fee to be tendered with the reference paper Rs. 20 for each Arbitrator named in the Reference paper and a fee of Rs. 30 shall be tendered for the Umpire in case the matter is referred to the Umpire provided that Rs. 5 shall be deducted from all such fees as fees due to the Chamber.

(2) The parties before they enter upon hearing shall deposit Rs. 50 for making and stamping the award which will be accounted for at the time of filing the award.

(3) The party applying for copy of the award shall pay full stamps required to be paid under the Stamp Act and the copying charges.

RULES FOR THE ELECTION OF PORT TRUSTEES BY THE CHAMBER.

(Adopted at the Extra-ordinary General Meeting of the Chamber held on Wednesday, the 28th February 1923.)

1. The Electoral Roll of the Chamber shall be prepared by the Secretary and circulated among the members of the Chamber at least 12 clear days before the date of the election giving particulars regarding the respective trade of each member provided that the

name of each member shall be entered under any one of the following trade-sections as he may select, *viz.*, (1) Cotton (2) Piecegoods (3) Grain and Seeds (4) General. No member, after once selecting a particular section, shall be allowed to get his name transferred to another section except for special reasons, and the Committee shall decide as to the validity of such reasons. Protests, if any, against the allocation of a member to a particular trade will be examined by a Sub-Committee consisting of two members appointed by the Committee and the Secretary, (whose decision shall be final) on any such date as may be fixed by them. Changes regarding other items in the Electoral Roll shall be notified to the Secretary, within three days of the issue of such a roll which shall be amended accordingly. No vote by proxy shall be allowed.

2. Candidates of the election as Port Trustees, as well as voters should be members of the Chamber, or duly nominated representatives of the members of the Chamber, with their names registered as such in the Register of Members of the Chamber and the Electoral Roll provided that candidates must always be Indians.

3. The Committee of the Chamber shall, as and when necessary, invite applications from members for election as Trustees of Port of Bombay and shall fix the date on which the election shall be held provided that there shall be the following allocation of seats to different trade interests :—

Trades	Seats.
Cotton	1
Piecegoods	1
Grain and Seeds	1
General	2

There may be any number of candidates from each of these sections but only the number allotted to each shall be elected.

4. Any member desirous of standing as a candidate for the election shall signify in writing such his desire to the Secretary seven clear days before the date fixed for the election, and send his nomination signed by his proposer and seconder who must be members of the Chamber stating what particular section he

represents provided that he shall be allowed to stand on behalf of that particular section which has been specified against his name in the Electoral Roll under rule No. 1.

5. If the number of candidates for election for different sections shall be the same as the number of vacancies the candidates shall be deemed to be duly elected.

6. If the number of candidates for election for different sections shall exceed the number of vacancies the Secretary shall send the names of such candidates to each member of the Chamber three clear days before the date fixed for the election, giving particulars regarding the trade which each candidate represents.

7. The Committee of the Chamber shall appoint two scrutineers for the scrutiny of voting papers at least 7 clear days before the date of the election.

8. On the day of the election the ballot-box will remain open from 10 a.m. to 6 p.m. (S. T.) in the office of the Chamber. Voting papers will be supplied to members of the Chamber in the office of the Chamber and members will fill these up and place them in the ballot-box. The counterfoils of these voting papers shall be first signed by members which shall be retained by the Secretary. The ballot-box will be in charge of the Secretary or an officer of the Chamber appointed by him. Scrutineers will seal the ballot-box at 6 p.m. (S. T.), on the day of the election and after scrutinising the voting paper shall on the day following along with the Secretary declare the result. No duplicate voting paper will be issued unless the original is returned. Candidates and their agents shall not be allowed in the room in which the ballot-box is placed excepting for the purpose of registering their own votes.

9. The candidates or, where there is more than one Trustee to be elected for the different sections, the candidates not exceeding the number of Trustees to be elected who has or have the largest number of votes shall be declared duly elected.

10. In the event of an equality of votes preventing the due election of any of the candidates the members shall vote afresh in the manner above laid down in respect of the candidates having an equal number of votes.

11. In the event of a casual vacancy or temporary absence of a Trustee the same course shall be followed in the appointment of a substitute.

12. *If a candidate is desirous of withdrawing his candidature from the election contest he should give intimation of his withdrawal to the Secretary so as to reach him at least 48 hours before the day of Election.

13. *In case of difference of opinion or a dispute between the candidates for election the matter should not be taken to the Court but should be referred to the Committee. The candidates should not make personal allegations during their election campaigns.

(*Added at the Quarterly General Meeting of the Chamber held on 27th July 1929).

RULES FOR THE ELECTION BY THE CHAMBER OF A REPRESENTATIVE ON THE BOMBAY MUNICIPAL CORPORATION.

(Adopted at the third Quarterly General Meeting of the Chamber held on 11th November 1922.)

(1) Candidates for the election as a corporator of the Bombay Municipality, as well as voter, therefor, should be members of the Chamber or representatives deputed by member-firms or member associations (whose names should be duly notified to the Secretary of the Chamber from time to time) provided that candidates must always be Indians.

(2) Those members who wish to become candidates in conformity with Rule 1 should send their names to the office of the Chamber twelve clear days before the date fixed for the election together with the names of proposers and seconders.

(3) The Committee of the Chamber shall elect two Scrutineers at least seven clear days before the date fixed for the election.

(4) The Secretary of the Chamber shall circulate the names of candidates at least seven clear days before the date fixed for election.

(5) The Committee shall fix a day (notice thereof shall be given to all the members of the Chamber) on which the ballot-box will be kept open from 10 a.m. to 6 p.m. (S. T.). Voting papers will be provided to the members in the office of the Chamber and the members will be required to place them, duly filled in the ballot-box. The slips containing the signature of the members, voting will be placed in another box. Both these boxes will remain in charge of the Secretary or other officer of the Chamber appointed by him. At 6 p.m. (S. T.) on the date of the election the Scrutineers shall seal the ballot-box and on the next day after scrutinising the voting papers declare the result of the election. A fresh voting paper will only be issued in return of the original one. It shall not be open to the candidates or to their agents to enter the room containing the ballot-box except for the purposes of recording their votes, nor will they be permitted to arrange refreshments in connection with the election.

(6) The candidate who gets the highest number of votes, shall be declared duly elected.

(7) In the event of two or more candidates getting an equal number of votes the election shall be held afresh in the manner above laid down in respect of candidates getting an equal number of votes.

(8) In the case of there being only one candidate, he shall be declared to be duly elected.

(9) In the case of a casual vacancy necessitating the election of a substitute the election shall be made in the manner above laid down.

*(10) If a candidate is desirous of withdrawing his candidature from the election contest he should give intimation of his withdrawal to the Secretary so as to reach him at least 48 hours before the day of Election.

*(11) In case of difference of opinion or a dispute between the candidates for election the matter should not be taken to the Court but should be referred to the Committee. The candidates should not make personal allegations during their election campaigns.

(*Added at the Quarterly General Meeting of the Chamber held on 27th July 1929).

RULES FOR THE ELECTION BY THE CHAMBER OF A REPRESENTATIVE ON THE IMPROVEMENT COMMITTEE.

(Adopted at the Special General Meeting of the Chamber held on 27th March 1926).

1. Candidates for the election as a member of the Bombay Improvement Committee, as well as voters therefor, should be members of the Chamber or representatives deputed by member-firms or member associations (whose names should be duly notified to the Secretary of the Chamber from time to time) provided that candidates must always be Indians.

Changes, if any, in names of representatives should be reported to the Secretary at least one week before the date of the election.

2. Those members who wish to become candidates in conformity with Rule 1 above should send their names to the office of the Chamber five clear days before the date fixed for the election together with the names of proposers and seconders.

3. The Committee of the Chamber shall elect two Scrutineers at least seven clear days before the date fixed for the election.

4. The Secretary of the Chamber shall circulate the names of candidates at least three clear days before the date fixed for the election.

5. The Committee shall fix a day (notice whereof shall be given to all the members of the Chamber) on which the Ballot-Box will be kept open from 10 a.m. to 6 p.m. (S. T.). Voting papers will be provided to the members in the office of the Chamber after getting their signatures on the counterfoil. These voting papers will be duly filled in by the members in the ballot-box room and placed in the ballot-box. The ballot-box will remain in charge of the Secretary or other officers of the Chamber appointed by him. At 6 p.m. (S.T.) on the date of the election the Scrutineers shall seal the ballot-box and on the next day after scrutinising the voting papers declare the result of that election. A fresh voting paper will only be issued in return of the original one. It shall not be open to the candidates or to their agents to enter the room

containing the ballot-box except for the purpose of recording the votes, nor will they be permitted to arrange refreshments in connection with the election.

6. The candidate who gets the highest number of votes shall be declared duly elected.

7. In case any two or more candidates shall obtain an equal number of votes, the Chairman or, in his absence, the Vice-Chairman shall have a casting vote.

8. In the case of there being only one candidate he shall be declared to be duly elected.

9. In the case of a casual vacancy necessitating the election of a substitute the election for such period of vacancy shall be made by the Committee by ballot.

10. *If a candidate is desirous of withdrawing his candidature from the election contest he should give intimation of his withdrawal to the Secretary so as to reach him at least 48 hours before the day of Election.

11. *In case of difference of opinion or a dispute between the candidates for election the matter should not be taken to the Court but should be referred to the Committee. The candidates should not make personal allegations during their election campaigns.

(*Added at the Quarterly General Meeting of the Chamber held on 27th July 1929.)

RULES FOR THE ELECTION OF A REPRESENTATIVE OF THE INDIAN MERCHANTS' CHAMBER TO THE SENATE OF THE BOMBAY UNIVERSITY UNDER ACT IV OF 1928.

(*Adopted at the Extraordinary General Meeting of the Chamber held on 12th February 1929.*)

1. The list of Members of the Chamber in force one week before the election date shall be considered as the Electoral Roll, copies of which can be had from the Office of the Chamber on payment of Rupee One each. If any changes are required to be made in the name of representatives, etc., in the Roll, information in

writing must be given to the Secretary by members one week before the date of election. No intimation received after the due date will be recognised.

2. Candidates for election should be members of the Chamber, or representatives deputed by members provided they are always Indians.

3. Any member desiring to stand as a candidate should send his name to the Office of the Chamber ten days before the date fixed for election together with the names of a proposer and a seconder, whose names appear on the Electoral Roll.

Any nomination paper which is not in confirmity with these Rules shall be deemed invalid and rejected as such.

4. The Committee of the Chamber shall elect two Scrutineers at least 5 days before the date fixed for election.

5. If there is not more than one candidate for election, the candidate duly nominated shall be declared to be duly elected. If, however, there are more candidates than one, the Secretary shall send the names of all candidates to each member of the Chamber seven days before the date fixed for election.

6. The Committee shall fix a day (notice whereof shall be given to all members of the Chamber) on which the ballot-box will be kept open from 10 a.m. (S.T.) to 6 p.m. (S.T.). Voting papers will be provided to members in the office of the Chamber and members will be required to place them duly filled in the ballot-box. Counterfoils of the voting papers, which should be placed in another box, should be first signed by the voters. Both these boxes will remain in charge of the Secretary or other officer of the Chamber appointed by him. The Scrutineers will seal the ballot-box at 6 p.m. (S.T.) on the day of election, and shall on the next working day, after scrutinising the voting papers, with the Secretary, forthwith declare the result. No Duplicate voting paper will be issued unless the original is returned.

7. Candidates or their agents shall not be allowed in the room in which the ballot-box is placed, except for the purpose of registering their own votes, and not more than one voter at a time shall be allowed in the room.

8. A candidate getting the highest number of votes shall be declared duly elected. In the event of two or more candidates getting the highest number of equal votes, the election shall be held afresh in the manner above laid down in respect of only those candidates who get highest number of equal votes, within five days of the declaration of the result.

If of the candidates who have secured an equal number of votes all but one withdraw from the contest and intimate in writing such withdrawal to the Secretary not less than two clear days before such a fresh election, the remaining candidate will be declared to be duly elected.

9. *If a candidate is desirous of withdrawing his candidature from the election contest he should give intimation of his withdrawal to the Secretary so as to reach him at least 48 hours before the day of Election.

10. *In case of difference of opinion or a dispute between the candidates for election the matter should not be taken to the Court but should be referred to the Committee. The candidates should not make personal allegations during their election campaigns.

(*Added at the Quarterly General Meeting of the Chamber held on 27th July 1929.)

CHAIRMEN OF THE INDIAN MERCHANTS' CHAMBER.

1907 to 1913 The Hon. Sir Manmohandas Ramji.

1913—14 Sir Purshotamdas Thakurdas, C.I.E., M.B.E.

1914—15 Sir Fazulbhoy Currimbhoy, C.B.E.

1915—16 The Hon. Sir Dinshaw Edulji Wacha.

1916—17 Sir Lallubhai Samaldas, C.I.E.

1917—18 Late Sir Vithaldas D. Thakersey.

1918—19 Sir Chunilal V. Mehta, K.C.S.I.

1919—20 Mr. Jehangir Bomanji Petit.

1920—21 Mr. Lalji Naranji.

1922 Sir Purshotamdas Thakurdas, C.I.E., M.B.E.

1923 Sir Fazulbhoy Currimbhoy, C.B.E. (From 24-2-23 to 3-9-23.) Mr. Devidas Madhowji Thakersey (From 4-9-23 to 25-1-24).

1924 The Hon. Sir Manmohandas Ramji.

1925 The Hon. Sir Phiroze C. Sethna, O.B.E.

1926 Mr. Lalji Naranji.

1927 Mr. Walchand Hirachand.

1928 Sir Shapurji B. Billimoria, Kt., M.B.E., from 31-1-28 to 20-3-28.

Mr. H. P. Mody from 30-3-28 to 17-7-28 and Mr. L. R. Tairsee from 28-7-28.

1929 Mr. L. R. Tairsee.

1930 Mr. Hooseinbhoy A. Lalljee.

Secretary :—Mr. J. K. Mehta, M.A.

Assistant Secretary :—Mr. A. C. Ramalingam.

CHAMBER'S REPRESENTATIVES ON PUBLIC BODIES.

Representatives on the Indian Legislative Assembly—

Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.,

Representative on the Bombay Legislative Council—

Mr. Lalji Naranji

Representatives on the Board of Trustees of the Bombay Port Trust.

1. Sir Purshotamdas Thakurdas, C.I.E., M.B.E., (Cotton).
2. Mr. Devidas Madhowji Thakersey, (Piecegoods.)
3. Mr. Velji Lakhamsee Nappoo, (Grain and Seeds.)
4. Mr. Lalji Naranji, (General.)
5. Mr. Laxmidas Rawji Tairsee, (General).

Representative on the Bombay Municipal Corporation :—

Mr. Vithaldas Kanji.

Representative on the Improvement Committee.

Mr. Manu Subedar.

Representative on the Advisory Committees of the Bombay Development Department :—

Mr. Manu Subedar.

On the Backbay Layout Committee :—

Mr. Walchand Hirachand.

Representative on the Indian Central Cotton Committee :—

Sir Purshotamdas Thakurdas.

Representative on the Advisory Committee of the Royal Institute of Science in Bombay.

Mr. Kapilram H. Vakil.

Representatives on the Local Advisory Committee of Railways.

G. I. P. Railway :—

The Hon. Sir Phiroze C. Sethna, O.B.E.

B. B. & C. I. Railway :—

Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.

Representatives on the Panel of the Railway Rates Advisory Committee :—

1. Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.
2. The Hon'ble Sir Manmohandas Ramji.
3. The Hon'ble Sir Phiroze C. Sethna, O.B.E.
4. Mr. Manu Subedar.
5. Mr. K. H. Vakil.

Representative on the Governing Body of the Indian Mercantile Marine Training Ship 'Dufferin':—

Mr. M. A. Master.

Representative on the Senate of the Bombay University :—

Mr. Nagindas T. Master.

Representative on the Traffic Control Committee (Bombay.)

Mr. L. R. Tairsee.

MANAGING COMMITTEE FOR THE YEAR 1931.

President :

Sir Chunilal V. Mehta, K.C.S.I.

Vice-President :

Mr. Behram N. Karanjia.

Members :—

ELECTED.

1. Mr. Lalji Naranji.
2. Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.
3. Mr. K. S. Ramchandra Aiyer.
4. Mr. J. C. Setalvad.
5. Mr. A. D. Shroff.
6. Mr. Dhirajlal C. Modi.
7. Mr. Gordhandas Goculdas Morarji.
8. Mr. E. R. Hirji-Behedin.
9. Mr. Purshotam Jivandas.
10. Mr. Lakmidas Rowjee Tairsee.
11. Mr. Harjivan Valji.
12. Mr. Vithaldas Damodar Govindji.
13. Mr. Sarabhai Pratapprai.
14. Mr. Walchand Hirachand.
15. Professor Sohrab R. Davar, Bar.-at-Law.
16. Mr. Keshavprasad C. Desai.
17. Mr. Chunilal B. Mehta.
18. Mr. Habib Ismail.
19. Mr. Hooseinbhoy A. Lalljee.

20. Mr. S. N. Pochkhanawalla.
21. Mr. Mangaldas B. Mehta.
22. *Mr. Fakirmahomed C. L. Sajan.
23. Mr. N. M. Muzmudar.

CO-OPTED.

1. Mr. F. E. Dinshaw.
2. Mr. M. C. Ghia.
3. Professor Khushal T. Shah, Bar.-at-Law.
4. The Grain Merchants' Association (Mr. Ramji Bharmal).
5. The Bombay Yarn, Copper and Brass Native Merchants' Association (Mr. Sankalchand G. Shah).
6. The Seeds Traders' Association (Mr. Ratilal M. Gandhi).
7. The Indian National Steamship Owners' Association (Mr. Jamnadas M. Mehta).
8. The Bombay Shroff Association (Mr. Kaliandas B. Shroff).
9. The Sugar Merchants' Association (Mr. Jagjivan Ujamshi Mulji).
10. The Bombay Rice Merchants' Association (Mr. Mathradas C. Matani).
11. The Bombay Diamond Merchants' Association (Mr. Parmanand Kunverji).

EX-OFFICIO.

1. Mr. Vithaldas Kanji (Bombay Municipal Corporation and the Bombay Port Trust).
2. Mr. Nagindas T. Master (Bombay University Senate).
3. Mr. Manu Subedar (Bombay Improvement Trust).
4. Mr. Kapilram H. Vakil (Royal Institute of Science Advisory Board).
5. Mr. M. A. Master (Governing Body of I. M. M. T. S. "DUFFERIN").
6. The Hon'ble Sir Phiroze C. Sethna, Kt., O.B.E., (G. I. P. Railway Local Advisory Committee).

List of Journals and Periodicals received in the Library of the Indian Merchants' Chamber.

BI-ANNUAL.*

*1. The Indian Cadet. (Journal of the Indian Mercantile Marine Training Ship 'Dufferin'.)

QUARTERLY.

1. World Trade.
2. Empire Cotton Growing Review.
*3. Vishva Bharati.
4. Swedish Economic Review.
5. Journal of the Bengal National Chamber of Commerce.
6. Journal of the Aberdeen Chamber of Commerce.
7. Finish Trade Review.

BI-MOMTHLY.

1. Agricultural Journal of India.
2. Yokoham Trade Review.
3. Industrial Shapely Survey (International Labour Office).

MONTHLY.

*1. Nation's Business. (U. S. A.).
*2. Official Journal of the League of Nations.
3. Monthly Summary of the Proceedings of the League of Nations.
4. Monthly Bulletin of Statistics issued by the League of Nations.
5. International Concilliation.
6. Monthly Journal of the Liverpool Chamber of Commerce.
7. Monthly Journal of the Manchester Chamber of Commerce.
8. Monthly Journal of the Sheffield Chamber of Commerce.
9. Monthly Journal of the Bradford Chamber of Commerce.
10. Monthly Journal of the Nottingham Chamber of Commerce.
11. Northamptonshire Journal of Commerce.

* The Periodicals are Subscribed by the Chamber.

*12. Monthly Report on Current Economic Conditions in Japan : issued by the Tokyo Chamber of Commerce.
13. National Geographic Magazine.
14. Indian Insurance.
15. Commercial India.
*16. Mercantile Guardian.
*17. International Labour Review.
18. Indian Labour Review.
19. Bombay Labour Gazette.
20. Engineering Progress.
21. British Industries.
22. Monthly Seaborne Trade Returns of British India.
23. Monthly Statistics of Cotton Spinning and Weaving in Indian Mills.
24. Statistics of Import and Export Trade in Cotton Yarn and
Piecegoods of British India (Issued by the Bombay Millowners' Association).
25. Statistics of Import and Export Trade in Cotton Yarn and Piecegoods of the Bombay Presidency excluding Sindh : (Issued by the Bombay Millowners' Association).
*26. Modern Review.
*27. Asia.
28. Cotton and Finance.
29. Indian Hume Pipe News.
*30. Indian Constructional Contractor.
31. Young Messenger of India.
32. Volunteer.
33. American Exporter.
34. The German Industrial Echo : Exporters' and Importers' Journal.
35. German Exporter.
36. Export and Import Review, Berlin.

*The Periodicals are Subscribed by the Chamber.

37. Bendien's International Review.
38. Belgium Abroad.
*38. Bulletin of the International Management Institute.
39. Monthly Summary of the Foreign Commerce of the United States.
40. East and West Trade Developer.
41. Swedish Export.
42. Indian Concrete Journal.
*43. The Financial and Economic Supplement of the "Mahratta."
44. Monthly Bulletin of the USSR Chamber for Western Trade.
45. Journal of the Aero Club of India.
46. Monthly Review of the Lloyds Bank.
47. ,, ,, ,, National City Bank of New York.
48. ,, ,, ,, Barclays Bank.
49. ,, ,, ,, Midland Bank.
50. ,, ,, ,, Westminster Bank.
51. 'Index'—(Svenska Handelsbanken, Stockholm).

WEEKLY.

*1. Economist.
*2. Statist.
*3. Indian Finance.
*4. London 'Times' Trade and Engineering Supplement.
*5. Manchester Guardian Commercial.
6. Board of Trade Journal.
7. Indian Trade Journal.
8. Commerce Reports (U.S.A.)
*9. Capital.
10. Calcutta Commercial Gazette.
*11. Industrial and Labour Information.
12. London Chamber of Commerce Journal.

*The Periodicals are Subscribed by the Chamber.

*13. Nation (U.S.A.).
14. New India.
*15. Young India.
*16. Bombay Market Report.
17. Bombay Government Gazette.
*18. Gazette of India.
*19. New Leader.
*20. Business Week.
21. "The Servant of India."
22. The Hindu Illustrated Weekly.

OCCASIONAL.

1. Legislative Assembly Debates.
2. Council of State Debates.
3. Bombay Legislative Council Debates.
4. Bengal Legislative Council Debates.
5. Burma Legislative Council Debates.
6. Central Provinces Legislative Council Debates.
7. Punjab Legislative Council Debates.

GUJARATI PERIODICALS.

1. Sahitya.
2. Buddhi Prakash.
3. Jnnan Vardhak.
4. Khetivadi Vignan.
5. Bhagyodaya.
6. Vaidya Kalpataru.
7. Digambar Jain.
*8. Navjeevan (Weekly).
*9. Saurashtra (Weekly).
*10. The Gujarati (Weekly).
11. Gujarati Punch (Weekly).

*The Periodicals are Subscribed by the Chamber.

THE INDIAN MERCHANTS' CHAMBER, BOMBAY.

TWENTY-THIRD ANNUAL GENERAL MEETING.

The Twenty-Third Annual General Meeting of the Chamber was held on Saturday, the 24th January, at 3 p.m. (S.T.) at the office of the Chamber, Mr. Hooseinbhoy A. Laljee presiding, to transact the following business :—

1. To receive the Annual Report of the retiring Committee and the audited Statement of Accounts of the Chamber for the year 1930.
2. To record the declaration of the result of the election of Office Bearers for the year 1931.
3. To appoint Auditors for the year 1931.
4. To consider the following amendments to Rule 26 of the Rules and Regulations of the Chamber :—

In sub-clause (*a*), paragraph 4 of Rule 26, the following words shall be substituted for the words : ' the new Committee shall co-opt out of the General body of members five Association members :—

" The new Committee shall co-opt, out of the General Body of members, 40 (forty) per cent. of the Association.

(*Note*)—For the purpose of calculation under this rule fraction will be ignored."

The following members were present :—

Mr. Hooseinbhoy A. Laljee.
Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.
Sir Chunilal V. Mehta, K.C.S.I.
Mr. Behram N. Karanjai.
,, Laljee Naranji.
,, Laxmidas R. Tairsee.
,, Sarabhai Prataprai.
,, Ramdas Raghavji.
,, Meyer Nissim.
,, B. P. Mehta.
,, D. C. Vakil.

Mr. Hiralal Amritlal Shah.
,, Morarji Hemrak.
,, D. C. Modi.
,, N. M. Sampat.
,, Railal M. Gandhi.
,, N. M. Bhuta.
,, J. C. Setalvad.
,, V. N. Patruni.
,, M. A. J. Noble.
,, Madhavlal Makunji.
,, Girdharlal H. Lohana.
,, Vithaldas Damodar Govindji.
,, B. J. Modi.
,, D. T. Thadhani.
,, D. Cowasji.

Prof. Sohrab R. Davar.

Mr. Dawood H. Nassur.
,, B. M. Bhargava.
,, Mangaldas B. Mehta.
,, J. K. Mehta (*Secretary*).
,, A. C. Ramalingam (*Asst. Secretary*).

In placing the report of the work turned by the Managing Committee before the meeting, Mr. Hoseinbhoy A. Laljee, the retiring President, made the following speech :—

SPEECH OF MR. HOOSEINBHOY A. LALJEE, THE RETIRING PRESIDENT

GENTLEMEN,

I am placing before you today, for your acceptance, the Twenty-third Annual Report of the Indian Merchants' Chamber. It is usual to refer in one's speech to the coming year as a year pregnant with important possibilities and the year which may have passed as a year which was epoch-making. I hope I shall not be charged with uttering such a platitude if I say that the last year, during which I had the honour of being President of the Chamber, was an epochal year. Both my colleagues on the Corporation and yourselves thought it fit to place on my shoulders the burden and responsibility of steering the helm of both the

Municipal Corporation and the Indian Merchants' Chamber, two of the most outstanding Institutions in the whole country. It is for those who elected me to say if I have discharged adequately my duties as a pilot; for my part, I can only say that I tried my best, both in the Corporation and in the Chamber, to work according to what I thought was right and proper and in the best interests of the Institutions concerned.

The record of the work placed in your hands shows sufficiently how the quantum and quality of the work were all in accordance with the best traditions of the Chamber. I realise that both your Committee and myself have come in for a good deal of criticism lately because of the alleged refusal to move in accordance with the spirit of the times. With my experience of local self-government, I would have been the last man to resent any such criticism whenever it was *bona fide* and genuine. Excepting with regard to two questions, I doubt if the Committee have ever seen things from a different angle than the General Body of Members. The Chamber has worked, throughout in the past, not only as a representative commercial organisation, but also as a leading public body which aims at serving the general public interest. Your Chamber has played a great and conspicuous part on not a few occasions in the past, and on not a few occasions some of the most eminent public leaders have acknowledged and appreciated the work done by it. The last year was, as I have already mentioned, critical not only in the history of the Chamber but in the history of the whole country, and as such your Committee had always to be on the lookout for taking up several pressing and important problems. Thus, the arrest and internment of Mahatma Gandhi, arrest and conviction of Pandit Motilal Nehru, declaration of Martial Law in Sholapur, appeal for mercy to the Sholapur convicts, the different Ordinances issued by His Excellency the Viceroy and specially the Press Ordinance, treatment of political prisoners, are some of the questions which your Committee dealt with, and that too from a nationalist standpoint. There were also the situations in Bardoli and Borsad talukas to which the Committee devoted no inconsiderable time.

There were 150 other questions on which your Committee gave their views during the course of the year. All these questions are connected with one phase or the other of our commercial

and industrial life. There were the important financial questions arising from the last year's Financial Statement of the Government of India, the Sterling loans raised by Government, sale of Reverse Councils, trade and economic depression, questionnaire of the Central Banking Enquiry Committee, Income-tax questions, etc. There were also, during the year, the Tariff Board Enquiries in connection with the Salt Industry, Steel Industry and the Gold and Silver Thread Industry. Some of us feel that the method pursued by this Chamber and its sister organisations in the different parts of the country has still its place in political agitation in this land. The function of a Chamber of Commerce is to serve as an intermediary between the Government and the commercial community, and the reply to a Government which is unresponsive is not to cease this particular form of agitation but to make it more impressive and forceful by taking all constitutional means to make the Government responsive. One advantage of this method of agitation is that every question has to be fully studied and completely threshed out, and even if the Government remain unresponsive, it serves to educate the public opinion. How would it have served our purpose if at the time of the well known Exchange agitation this Chamber had remained silent and quiet ? . The agitation organised and conducted by the Chamber served to make the public interested even in this economic and highly technical question with the result that agriculturists, traders and businessmen now know how the 1*s.* 6*d.* ratio has served to give a very great blow to the interests of agriculture, industries and trade. The erudite dissenting report of Sir Purshotamdas Thakurdas, the writings and speeches of the late Mr. Madon and the agitation of the Currency League and this Chamber may all therefore be considered a great achievement in the fight for national freedom. I make bold to say that in the universal desire manifest to have responsible Government at the Centre and specially with regard to Finance and Commerce, all that fight of ours has played no small a part. It shows the justification for our agitation that the Eleven points of Mahatma Gandhi were all based upon the economic and Financial platforms of this Chamber and other similar institutions. I admit that the unresponsive character of Government has led many minds—perhaps some of the most brilliant we have got and some personalities—some of the most patriotic and self-sacrificing

we have got to believe no longer in the method of political agitation which Lokmanya Tilak styled responsive co-operation and to start a method known as direct action. While some of us may not agree with it, we agree to differ and cannot sympathise with Government when they plausibly argue that the only method to fight such a political agitation is repression and physical force. No less a person than His Excellency the Viceroy, speaking recently at the Dinner of the European Association at Calcutta, observed that:

"The conditions for example, of prosperous and friendly commercial intercourse will always depend far more upon the public opinion than upon Government action, and however emphatically we may condemn the civil disobedience movement—and no-body can feel more strongly than I do the harm that it has done and is doing to the cause of India—whatever powers we may find it necessary to take to combat it so long as it persists.

"We should, I am satisfied, make a profound mistake if we underestimate the genuine and powerful feeling of nationalism that is today animating much of Indian thought and for this no simple, complete or permanent cure ever has been or ever will be found in strong action by Government."

World causes, like the shortage of gold, have been responsible for the economic depression throughout the different countries. While saying this, one has however to bear in mind that each different country has got its own quota of economic causes which have accentuated within its own borders the effects of the international economic depression. I am sorry therefore that I cannot agree with the Hon'ble Sir George Schuster when he recently emphasised, while speaking before the Provincial Finance Secretaries who met in Simla, that the main cause of the low prices (of cotton) was the extremely difficult conditions created by the political situation in Bombay. His argument was that if the Home Market had not been disturbed and if Indian mills were able to purchase more freely, we might be seeing a different state of affairs. While I do not say that political agitation has nothing to do with the present economic and financial disturbances and depression in this country, I am obliged to remark that the Hon'ble Finance Member has read wrongly the situation in the Indian cotton textile

industry. This particular industry has been suffering from years past not because of political agitation but because of the lack of sympathy and absence of proper action on the part of the authorities that be; and if the political agitation has done anything for the economic good of the country it is to give the much-needed encouragement to the Industry which stood most sadly in need of it. The fact that several mills in Ahmedabad and Bombay have begun to work double shift and that your Committee have, as a matter of fact, approached the Central Board of Revenue for a special consideration with regard to depreciation percentage in case of those mills which are working double shift is significant to show how in a way the political agitation has proved a God-send to this staple industry of this Presidency. It is not the absence of purchases by mills but it is the world factors combined with the Exchange causes which have brought about the abnormally low level of prices of agricultural commodities, the principal among them being cotton. That Australia is able to place its wheat in a wheat-producing country like India in competition, with her own wheat shows how the benefit of a high Exchange enables foreign producers and manufacturers to place their raw stuff and manufactured products in this country with the advantage of 12½ per cent. they obtain. When the Hon'ble Sir George Schuster assumed the reins of office from Sir Basil Blackett he considered the 1*s.* 6*d.* exchange as a bad heritage he had succeeded to. He has been obliged to nurse and feed this orphan left to him and he appears to have conceived a charm for it through this nursing and feeding. He observed, therefore, while speaking before the Bengal National Chamber of Commerce, that his paramount duty was to preserve India's national credit and that it was this consideration which was dominant in his mind when suggestions were made that Government should alter the Exchange value of the Rupee. He emphasised: "I can only regard such a course as an act of repudiation, an act which would so severely shake India's credit that no one who really had India's interests at heart could contemplate it for a moment." Well, many so-called settled facts have had to be unsettled because of economic pressure; and I would not be surprised if even this so-called settled fact of 1*s.* 6*d.* Exchange comes to be unsettled in the near future. I am sorry to read in this connection the rather somewhat sinister suggestion often made in different quarters that the Government of India have sufficient resources at

their command to maintain the Exchange at the statutory level. It was this same reasoning which cost India Rs. 36 crores in 1920, and I fear that unless there is a sustained agitation by Chambers of Commerce, all our gold resources will be dissipated to maintain the new statutory level. There is a proverb in English: Give a dog a bad name and hang it. It is very well to bring in the red herring of repudiation even with regard to this Exchange question and damn it in the eyes of the British public and Indian people. We should, however, like to know whether a change in the Exchange ratio becomes repudiation only in the year of grace, 1931, or it was a repudiation even in 1927 when Sir George Schuster's predecessor in the teeth of opposition of the whole country threw overboard a ratio which had worked well for years and placed quite a new ratio on the statute book. Our friend, the late Mr. Madon, was never tired of emphasising even at that time the character of repudiating the obligations Government had incurred under the old ratio and yet Government turned a deaf ear to all those reasonings. Are we now to be told that the act of restoration of the old ratio which was such a help to India's trade, industries and agriculture would be an act of repudiation and that the continuance of the new ratio is required for India's financial credit? Was the credit of France affected adversely when M. Poincare with a supreme financial daring and far-sightedness stabilised the Franc on a ratio of 125 to the £? So far as the opinions of economic critics of Government, this action instead of ruining the financial credit of France, enhanced it and stabilised it, and the present prosperity of France and the absence of unemployment, which is to be found to an abnormal extent in England, Germany, and the United States, are all ascribed to that financial step.

You must all be knowing that a financial expert of international reputation, Sir Arthur Salter, has recently come to this country. One wonders why Government of India, were so shy about the whole business, and why they took the devious and indirect ways of announcing the approaching arrival of Sir Arthur Salter? They had to fall back upon a private press telegram in the first instance, and then upon a press note issued by Dr. Pillai, representative of the International Labour Office at Delhi. It was not an edifying position for the Government of India that Dr. Pillai should have to issue a press note explaining their action.

When all sorts of surmises were started and several enquiries went to Delhi a press note was issued to the effect that Sir Arthur Salter had come as a representative of the League of Nations, in his capacity as the Head of the Economic and Financial section of the League, to discuss the development of India's collaboration in the work of the technical organisations of the League. We are assured that Sir Arthur Salter has not been asked to advise as regards policy but solely as regards organisation that his expenses will be borne by the League of Nations. So far so good.

I am glad that a financial expert of international reputation is visiting this country, but unless his visit is utilised in some definite and tangible manner it will not be so helpful to the country.

When I am going to speak something relating to the announcement that His Majesty's Government have made, you will permit me to tell you that I have been in the public life for well nigh twenty years, and many of you must have had an opportunity to know my views and policy. When I was elected by you to the Presidential Chair of this Chamber, it was about the time when the Indian National Congress had given its decision on both the Simon Commission Report and the Nehru Report. I mention this fact in order to show that both you and I knew the difficult times through which we were to pass. The first thing that I did then was to study the course that your Chamber had adopted with credit to themselves in the service of the country for well nigh quarter of a century under the guidance of so many eminent Presidents before me, and I took as my sheet-anchor to follow those traditions of the Chamber and always did my level best to keep the policy of the Chamber in consonance with the public opinion and specially in the interests of commerce and industry of this country. Gentlemen, it had been my duty also to watch the interests of different sections of the Chamber and the object for which this Chamber has been established. A body like that of your Chamber which has obtained for itself so much importance cannot afford to show any sign of being carried away, except after considering every question in its widest aspect and the ultimate result thereof. Your Chamber fulfils the function of creating between all concerned that understanding which business men pride themselves on being able to achieve. Your Chamber has acted as an intermediary between Government and people, between different

sections of people, between different people of different political views, and even between the Indian and European commercial communities, and, I may say, it has also endeavoured to appeal to Congress with that confidence as it has done to Government. Our object has been and is the economic well-being of the country, and every step that I have taken while acting, as said above, has been with that object alone. The representations that we have made to Government and even to the Viceroy, to Mahatma Gandhi, and Pandit Motilalji, will bear out what I have said. The discussions that we have had with Europeans and our Indian brethren who are known of liberal political colour, have been all in keeping with our traditions and with the only object of doing the best for the country. To err is human, but I feel confident that when peace and quiet in the country are restored what we have done will stand as the best test of our work. I am prepared to stand any criticism and shall certainly admit at least on my behalf, any shortcomings that may then be pronounced. In these days criticism is welcome, but I should certainly ask your indulgence to judge the work when peace and quiet are restored. I expected that the decision over the Conference that was held in England and known as the Round Table Conference, would come in the time of my illustrious successor, Sir Chunilal Mehta, but as it has been announced during the last few days of my regime, I felt it my duty not to shirk the responsibility that had fallen upon my shoulders at the twelf hour. I felt a great deal of difficulty but I must say that the informal conference that I had with some leading gentlemen only a couple of days back helped me in my endeavour to express my opinion generally on the subject. I admit we have not yet got all details, but from what we have got and the last message that we have got from men like Sir Tej Bahadur Sapru and the Rt. Hon. Srinivasa Sastri and others, and the willingness which the Working Committee of the Congress has shown, at their request through Pandit Motilalji, to postpone publishing any resolutions, emboldens me to make an appeal to you and, through you, to both the country and Government. There is no doubt that had Government, in the first instance, admitted Indian in the Simon Commission a lot of what has happened to embitter the feelings in India would not have happened. Secondly, when His Excellency the Viceroy gave an interview to Mahatma Gandhi after the

deliberations of the Simon Commission all that has now been said at the Round Table Conference by Government, had been said to Mahatma Gandhi, I am sure that would have been a right thing done at the right moment. Even in the months of May and June, after the march of Mahatmaji, if Government had acceded to the request of leading Indians and made the announcement I feel the position would not have been so bad. Now we find that not only our people of all schools of political thought have made a great advance in their views, but even the Princes in India have demanded what is India's due, and further the British Government has tried to meet us to a large extent, and the Prime Minister and others have shown a desire to go further into these matters with the leaders of the country. I think this opportunity must be utilised and should not be missed. It is not because we want to agree to all that has been said, but when we feel a change in principle we ought not to turn our face but must be prepared to meet fairly and squarely. I say, and say with all the emphasis at my command, that important principles have been conceded so far as provincial administration is concerned and if we stand united we are sure to have a square deal even so far as the Central Government is concerned. Dr. Moonje has said that we have got nearly everything that we want.

I feel very much the loss India has sustained in the death of Maulana Mahomed Ali as specially at this juncture his views would have helped us and this I have been feeling after his last speech. What is desired is to create goodwill, and I would ask Government to declare general amnesty as soon as possible. I would request Hindus and Mahomedans to declare that they are prepared to stand by each other and I would also desire that the British Mercantile community, if they really wish to have what may be due to them, should immediately admit what is due to India as they consider due to themselves in their own countries.

In conclusion, I beg of you all, to stand united and firm as a single unit. Let bygones be bygones, and let us, as careful and responsible persons, be prepared to give all we have in the right direction and be bold to say what is right to any forces whatsoever that may not be in the right direction.

Before I close, Gentlemen, I must express my thanks to Mr. Jaisukhlal Mehta, the Secretary of the Chamber. In Mr. Mehta, I

have found a man who identifies himself with the affairs of our Chamber as his own. It is not out of usual formality but out of sincere feelings and love, when I say that but for Mr. Mehta's ever-ready assistance and willing co-operation we would not have been able to achieve what we have done during the year and what this Chamber has been doing for so many years. I also take this opportunity of recording my full appreciation of and satisfaction with the efficient services of the Staff of the Chamber, specially those of Mr. A. C. Ramalingam (whose enthusiastic services during Mr. Mehta's absence in Europe I have specially to record) and Mr. Buch, both of whom I have found to be very helpful assistants; and last but not the least, the help and co-operation of Mr. Tairsee, who did all he could to help me during the time Mr. Mehta was out of Bombay. My best and cordial thanks are also due to my friend, Mr. Karanjia, who stood shoulder to shoulder with me, and to the Committee who did likewise. I must also say that whenever I found any difficulty, and they were many during my regime, I found in Sir Purshotamdas a true and wise adviser to me.

SPEECH OF MR. BEHRAM N. KARANJIA, THE RE-ELECTED VICE-PRESIDENT.

MR. PRESIDENT AND GENTLEMEN,

Let me thank you all for showing your confidence in me by re-electing me Vice-President of the Chamber. I may assure you that I appreciate highly the honour you have done me, and hope that I shall be able to justify your choice. I have to thank you also for the uniform courtesy you have shown to me during the year which has passed and hope that the same good relations which prevailed between me and all of you will continue to be so during the new official year.

The next year is not going to be less important in the history of our country than the year which has just passed. During the last year we saw the birthpangs of the nation earning for the full realisation of its hopes and ideals, and the year on which we have now entered will, I hope, witness the realisation of these hopes and ideals. There will be tremendously important economic, financial and constitutional questions for consideration by the new Committee that I might naturally feel nervous at the responsibility

which I am called upon to handle but for the fact that I shall have the privilege of working under the leadership of such an eminent public man as Sir Chunilal Mehta. Sir Chunilal has been one of the oldest members of the Chamber and was the President of the Chamber in the year 1918-19. He then served both Government and the public as Minister of Excise and then rose to the position of Finance Member to the Government of Bombay, it being the first time that an Indian was placed in charge of this important portfolio. He has rendered meritorious services to the public in general and we are confident that under his able leadership the Chamber will maintain all its best traditions and win fresh laurels in the field of public service.

Finance will naturally loom large in the public eyes during the next year. It is only now a month or so before we shall have the Financial Statements of different Provinces and the Government of India, and we shall then authoritatively know what is the exact financial situation both so far as the Provincial and the Central Administrations are concerned. It is a truism to say that the progress of Commerce and Industries depends upon the wise administration and regulation of the country's finances and the first care of a Chamber of Commerce should be to be as a watch-dog so far as the finances are concerned. The experiences obtained during the war convinced the Government of India at the time at least, that there was much in the system of industries, and trade, which required to be ameliorated and brought up-to-date. The ideal of making India a self-contained country was held up before all and some steps began to be taken in that direction. Unfortunately with the close of the war the impetus and enthusiasm died away and the first financial step taken by Government, *viz*, 2*s*. ratio, proved to be a false one. The process of industrialisation was not hastened. On the contrary, industries, trade and agriculture suffered heavily throughout the last decade, as a result of the so-called "adjustment" of the new ratio. It was found during the course of the war that it would have helped Government much more considerably in the persecution of the war if Indian industries had been placed on a stable and strong basis. Different countries in the world have taken to developing their industries after the war and one cause of the acute depression in Lancashire is that every country which has got cotton aspires

now to be a cotton textile producing country. If we are faced with a world economic depression we realise that we would have been in a position to face this world depression in a much better manner had our industries been in a flourishing condition and had the statesmanship of Government been shown in developing their financial mechanism so as to provide for the strength and prosperity of industries and agriculture. As matters stand, however, the world economic depression found us unprepared to face it and with the diseased bacilli already in our system we fell easy victims to it with the result that the same world depression which has found economically stronger countries affected and suffering but still powerful enough to carry on, has affected this country the most and given rise to economic agrarian and political discontent of a serious order and produced an economic convulsion of an alarming nature. It is an accepted physiological doctrine that the bacilli of a disease attack most powerfully and vitally those organisms which have already got conditions suitable for their reception and the same has happened with regard to India. Weak and debilitated as her constitution was, this international disease, I may call it the international economic Flu, found in India a good breeding place for the germs and nervous organisms which collapsed with the first attack of the disease. The dislocation of credit machinery, the unhinging of trade movements, colossal losses suffered by the Provincial and Central Revenues are all but symptoms of the pernicious influence of this fell disease. The disease will not be cured by large Allopathic doses in the nature of taxation, whether Central or Provincial. The poison inside the system requires to be eradicated and the patient requires, besides vaccines and injections, a whiff of fresh air. The fundamental requirement is for Finance and Commerce of the country to be placed in the hands of the people themselves.

I am pained to see that the statement of the Premier, which I in common with some of my friends consider to be of a great and momentous importance, does not provide for the full transfer of Finance to the representatives of the people. The details are still to be filled in and this very important work will be done in this country. I hope that the representatives of the Congress and the Commercial community will be able to bring about such a solution as will give us full responsible Government which has been always

the demand of the country. I am also pained to find that the R. T. C. has decided upon the separation of Burma from India. Burma has been always one of the best Provinces for agriculture, minerals and trade. A large section of the Indian people have settled there and are in every-day communication with that Province for their trade, industrial and agricultural purposes. I do not deny that the Burmans should have a predominant voice in their own Province. The close union, however, of Burma with India did not preclude the Burmans from developing their Province on their provincial lines. In fact, I may say that the influx of Indians and the co-operation of Indians made it easier for the Burmans to develop their Province than would be the case if Burma were a Crown Colony. Instead of thus separating Burma from India, Burma also should have been placed on a provincially autonomous basis as is proposed with regard to all the Indian Provinces. It must be recognised that there are two views on this question even in Burma itself, and I hope even now when the Indian and Burman leaders will be consulted there may be some right solution found of this question in the interest of both Burma and India. I am afraid that if Burma is made into a Crown Colony, there may ensue troubles with regard to Fiscal Tariff as has been already the case with some of our Indian States.

The heavy deflations, sale of Reverse Councils, high Bank rate and talks of further taxation have but naturally created a condition of nervousness in the commercial community, and there will be no improvement in the condition if Government rest satisfied with ascribing all our ills to political agitation merely. They are side-tracking themselves from the fundamental issues and commit the fatal mistake of considering one of the symptoms as the disease itself. Both the Central and the Provincial Governments being faced with colossal deficits will be faced with two alternatives: additional taxation or retrenchment. Knowing, as we do, the tendencies of Government, and specially our Governments, we can realise that they will prefer the first alternative. It is true that retrenchment can be carried only upto a degree, but I am afraid that the hobby of efficiency is sometimes being ridden to death. After all, every country has to expect efficiency according to its resources, and a poor country like India may be excused if she prefers, at least for the present, to go about in a Ford car rather than in an efficient and

up-to-date brand of Minerva or Rolls Royce. Even fabulously rich countries like England are now kicking up against their Finance Member (at present a Labour Finance Member) at the way in which the ever-patient milch-cow, the taxpayer, is exploited ; and I doubt not that our businessmen and industrialists, whether they be Indian or European, will tell the Finance Member that their patience too is now exhausted and that they cannot bear any more burdens that may be placed upon their shoulders. We have to move in a vicious circle. On the one hand our industries and trade have not received that support from Government which every country expect and are in a weak condition and cannot afford to pay that taxation to the State which in advanced countries is paid by Commerce and industries.

On the other hand, any further taxation will crush these industries and trade all the more and make them all the more incapable of giving that financial oil which alone can keep the machinery of a State going on. Even taxation can be so adjusted as to be beneficial to trade and industries, while at the same time a big income can be vouchsafed to the State. It is now high time that the so-called theory of discriminating protection should be thrown over-board and the theory of sound protection be made to take its place. In the mood the country is at present to develop its industries at any cost, such a scheme of sound protection will make a powerful appeal. An European journalist recently asked me if there was not a breach of Non-Violence in the desire to develop the indigenous resources of the country and thus checking the imports from foreign countries. This would be Non-Violence with a vengeance. Countries like the United States of America which have got import duties as high as 80 and 90 per cent. and even more and only recently revised the Tariff to increase the duties even still more, or like England which are now on the road to high protection or Germany, France and Japan which are distinctly of a protectionist colour, have got the least right to advise India to remain on a free trade basis.

I realise that the International Chamber of Commerce and the League of Nations are trying to get a sort of an economic *entente* established between Nations so as to remove all causes of economic friction and economic rivalry which are admittedly the

leading causes of war. At a recent Council meeting of the International Chamber economic interdependence of all Nations under modern conditions was emphasised and the need for collective investigations of cause and effect more clearly brought out. As long, however, as the Nations and specially the bigger Nations, have not agreed upon a common formula of economic co-operation, economically weak countries like India have no other alternative but to follow the lines laid down by powerful civilised countries which have shown that the development of industries can be brought about, as matters stand at present, by a rigid protection. India does not want to starve out economically the children of any country. What she wants is to feed her own children properly who are not fed properly at present and a large number of whom have at present to rest satisfied with one meal a day. It is not economic warfare that we want but economic independence to shape our industries and finance as we will and liberty to feed and clothe our countrymen and countrywomen properly. Our economic standards have been low in the past—may I say abnormally and miserably low and we want that these economic standards should be raised as is the case with other countries. Other countries have no right to throw in our face our philosophy of life and tell us that we are having an economic revolution by a process of industrialisation. The philosophy of life of every country is after all derived from its economic circumstances and our philosophy of life based upon few wants and a too patient contentment with our lot will have now to go and be replaced by a philosophic theory of life, which believes in all the men, women and children of the country being clothed properly, shod properly, and fed properly. The culture of an economically poor people cannot be properly developed. It is only economic contentment and economic prosperity which work for a proper culture. If a Soviet Russia can lay down a five year programme for the economic uplift of her people, there is no reason why British India or a Federal India if she comes into being a member of the Commonwealth of Nations, cannot hope to work out even a 10-year programme for the economic upliftment of her people.

I am a businessman, but am not an expert in financial questions. I still venture to give some opinions on this question as a businessman, I feel that a radical change will have to be made

even in our financial theories for our economic uplift. The commercial community at present is wedded to the ideal of a Gold Standard. Several countries have gone back to the gold standard recently and only a few are now left out of this gold ring, as it may be called. The result so far as we can see is that every country is scrambling for gold and the gold as soon as it is obtained is deposited in the vaults. As an eminent economist, Mr. Gilbert C. Layton, recently observed that the effect of this is as if all this gold were lost in the bottom of the sea and no hope is left for its salvage. The United States and France are well-known for having colossal deposits of gold in their vaults and the result has been a scarcity of gold in the world leading to an unprecedentedly low level of commodity prices which itself has meant ruin to industries and agriculture. The Council of the International Chamber of Commerce, to which I referred above, in analysing the general causes and symptoms of the present depression, mentions as one cause "the heavy fall in the price of silver which has further reduced the purchasing power of one-third of the world's population." India being from times immemorial a silver country is immensely interested in this position and my regret is that despite so many Royal Commission and Committees on Currency and Finance no one has yet exactly devoted attention to this action and interaction between silver and the prosperity or otherwise of this country. Mr. Jamshedji Wadia is ploughing a lonely furrow with regard to this question. Up to this time his views have not attracted a big following, but it is now high time that we should at least consider whether the restoration of silver to its original place in this country is worth our while or not. I hope I shall not be misunderstood. I am not advocating any new financial theory for acceptance by all, but what I am pleading for is an enquiry—an enquiry by our expert economists and businessmen into this silver question. Our agriculturists, who are the main stay of the land, have got all their holdings, whatever they may be, invested in silver, and the reduction in the price of silver has reduced all these holdings by more than 70 per cent. The demonetisation of silver has at the same time reduced the price of agricultural commodities with the result that our agriculturists are given a blow in both directions: by the reduction in the price of silver and the reduction in the prices of agricultural commodities. It is a grave position which will not be improved by duties on the imports of silver which,

in fact, will be worsened by such duties. It is therefore that I plead for an enquiry either by Government or responsible commercial organisations like ours in the direction to which I have referred here.

" The present political and economic movement affords an opportunity for the development of our industries if it is rightly seized. Your Committee have suggested a Commercial Museum as one of the best directions in which our energies can be utilised. It is a great pity that a big commercial and industrial city like Bombay has not yet got a commercial museum. I hope the new Committee will develop this idea. An appeal has already been sent for contributions to this scheme, and I hope that members of the Chamber will respond to it adequately and satisfactorily.

After some general discussion the meeting proceeded with the next items on the Agenda, *viz.*, the declaration of the result of the election of Office Bearers for the year 1931, and the appointment of Messrs. Devidas Vithaldas & Co. as Auditors.

Mr. Vithaldas Damodar Govindji moved and Prof. S. R. Davar seconded the amendment to Rule 26 of the Rules and Regulations of the Chamber above referred to and same was carried unanimously.

With a vote of thanks to the retiring President, the meeting terminated.

REPORT OF THE COMMITTEE
OF
THE INDIAN MERCHANTS' CHAMBER

for the year 1930 presented to the
Annual General Meeting
of the Chamber held on
24th January 1931.

Your Committee have pleasure in presenting the 23rd Annual Report of your Chamber. During the course of the year 56 Committee meetings were held, the work done being of a varied and important nature.

The principal subjects dealt with by your Committee related to the following main heads:—

(1) Transport and Communications, (2) Finance, Tariffs and Taxation, (3) Trade and Industrial Legislation, (4) Government Stores Purchase Policy, (5) General Trade and Industry and (6) General.

TRANSPORT AND COMMUNICATIONS.

4. RAILWAYS.

(1) Revision of the Indian Railways Act.

The Government of India asked the President of the Railway Rates Advisory Committee to submit recommendations regarding amendments to the Indian Railways Act. The President of the Railway Rates Advisory Committee invited suggestions from the Chamber and the Committee of the Chamber, in consultation with the Transport Sub-Committee prepared and sent a memorandum embodying their suggestions regarding amendments of the various sections of the Railways Act.

Following were the principal suggestions made by the Committee:—

Sec. 10: This section provides for the payment of compensation for damage caused by the exercise of the powers conferred by Secs. 7, 8 and 9.

The Committee suggested that provision should also be made for the payment of compensation in respect of damage caused after the construction of works, e.g., damage caused by the vibrations due to the passing of railways over railway lines constructed near a building.

Sec. 26: This section refers to the appointment of a Commission by the Governor-General-in-Council to consider complaints against railway administration.

The section does not stipulate any definite period within which the Commission may be appointed. The Committee suggested that the Commission should be appointed within six months.

Sec. 55: The Committee suggested that the Railway administrations should also file suits within the period of limitation (six months) which applied to the filing of suits by members of the public.

Sec. 72: This section deals with the much discussed question of risk notes. The Committee stated that the decision on the

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question of packing should be left to the discretion of a surveyor and not to the absolute discretion of the goods clerks. They suggested that in case of consignments of goods like coal, kerosine, petrol, firewood, etc., the railway companies should be asked to account as bailees. They also suggested that re-weighment at destination stations should always be allowed on the application of consignees. Railway administrations should also be required to give receipts immediately on presentation of consignment notes with goods.

Sec. 75: This section deals with the liability of the railway administrations when a special charge has been paid for covering increasd risk. The Committee suggested that the existence of this section should be brought to the notice of the travelling public. They also suggested that the amount of Rs. 100 fixed in the section as the limit should be increased to Rs. 250.

Sec. 78: The Committee have expressed their opinion that a party should not be penalised if a **bona-fide** mistake is committed in regard to the classification of goods.

Sec. 106: The Committee have expressed their opinion that the owner of the goods should not be penalised if a wrong and misleading description of the goods was given by his agent.

Sec. 142: It should be sufficient if the notices were sent under certificate of posting. Registration should not be compulsory.

Sec. 146 & 148: These should be made applicable to the Port Trust Railways also. The Railways Act should be made applicable to the Port Trust Railways.

General Suggestions.

Greater publicity should be given to Rls. 252 to 260, App. IV.

Claims should be settled within a reasonable time, and changes in rules should be notified to recognised commercial bodies.

No wharfage should be charged in times of public strikes.

Classification of goods should be universal.

A Railway Receipt should be considered as a document of title.

(2) Meeting of the Commercial Committee of the Indian Railway Conference Association.

The Indian Railway Conference Association forwarded particulars of subjects which were to be discussed at the meeting of the Commer-

cial Committee, to the Committee, for their opinion. In forwarding their opinions the Committee approved of the suggestion to divide the 3,000 miles' coupon book issued to mercantile firms into two books of 1,500 miles each as it would be greatly useful to the commercial community. They also forwarded their opinion on other proposals of a minor importance.

(3) Railways & the promotion of trade.

The Commercial Officer on Special Duty with the Indian State Railways, Central Publicity Bureau, informed the Committee that the Railway Board had instructed him to investigate in what ways the Publicity Bureau could assist in promoting trade and that he desired to be put in touch with firms interested in extending their business. In this connection he suggested the following points for the consideration of the Committee:—

(1) The possibility of Railways co-operating with firms in the distribution of pamphlets or leaflets advertising their goods in towns and villages.

(2) The possibility of organising campaigns of an experimental nature in selected areas, in which the staff of such firms would co-operate with railway staff in exhibiting and pushing the sales of their products, **e.g.**, by third class specials tours.

(3) Running Bazar or Trade Demonstration special trains for carrying on an advertising campaign.

(4) Running Cinema Cars touring over all railways. It was also pointed out that the Railway Board desired that the railways should co-operate generally in the encouragement of trade in India and that they should provide more assistance to business interests in this matter than had hitherto been contemplated. He invited the views of the Committee on the various points noted above along with any other suggestions they might choose to make. He also pointed out that if possible, he would call on the Committee of the Chamber to discuss this matter in detail. In their reply, the Committee approved of the suggestions, but they pointed out that if there was to be any co-operation between the Railways and the business Community as desired in these suggestions, there should be a great change in the treatment which was accorded at present to the businessmen and their assistants by Railway Officials as, in their opinion, it would be difficult

for businessmen to avail themselves of the facilities offered by the railways without this change. They also stated that they would be glad to meet the Commercial Officer when he proposed to visit Bombay.

(4) Terminal Goods Traffic facilities at Bombay.

In this connection the Railway Board referred to the previous correspondence which they had on the subject with the Committee of the Chamber in 1925, and stated that they had, after careful consideration, accepted the recommendations made by the G. I. P., B. B. & C. I. and the Port Trust Railways on the proposals of Mr. Lloyd Jones in this regard. Briefly put the proposals of Mr. Lloyd Jones were:—

(1) To concentrate all sorting of wagons in a single yard at Kurla.

(2) To form a Central control or operating division.

(3) To distribute the total cost of working the goods traffic equitably between each of the railways and the Port Trust.

(4) To economise movements by using wagons indiscriminately.

(5) To concentrate wagon examination in one yard.

As regards (1) the Railway Administrations were of opinion that this proposal would not solve the Traffic problem and that the savings would not justify the capital expenditure involved. They, however, supported the proposal of the G. I. P. Railway to construct a down yard at Kurla. As regards proposals (2) & (3) of Mr. Lloyd Jones, the Railway Administrations did not recommend the formation of a Goods division, but considered that the desired co-ordination would be attained by the appointment of a Standing Committee of Administrative Officers of the Transportation and Commercial Departments of the three Railways. The functions of this Committee would be to ensure closer co-operation between the three Administrations with a view to improve the movement of Traffic. This Committee would also provide the means whereby future developments could best be considered with regard to the efficient handling of the Bombay Rail borne traffic as a whole.

The Railway Administrations agreed to the proposal (4) of Mr. Lloyd Jones. As regards proposal (5) they were of opinion that an attempt should be made to bring in neutral examination at Wadala

and Dadar. The Committee informed the Railway Board that they were in agreement with the recommendations of the Railway Administrations on the proposals of Mr. Lloyd Jones.

(5) Interview with Mr. A. Dale Green re: Bombay-Sind connection:

The Committee had an interview on 18th March 1930 with Mr. A. Dale Green, Officer on Special Duty with the Railway Board, and discussed with him the Bombay-Sind Railway connection scheme.

(6) The G. I. P. Railway Strike.

It was suggested to the Committee that they should write to the Agent of the G. I. P. Railway drawing his attention to the grave situation caused to the trade and industries by the non-acceptance of goods lying at different stations, owing to the disorganisation in goods traffic, as a result of the strike and enquiring of him whether it was proposed to move in the matter of getting a Conciliation Board under the Trade Disputes Act appointed to go into the merits of the dispute. In reply to their communication on the subject, the Agent informed them that the situation was improving day by day, that the newly engaged staff were dealing with accumulations and that as far as his Railway Administration was concerned no steps to arrange for a Conciliation Board had been taken.

(7) Nomination of a Representative of the Chamber on the G. I. P. Railway Local Advisory Committee.

The term of office of the representative of the Chamber on the G. I. P. Railway Local Advisory Committee having expired, the Committee were invited to nominate his successor for a further term. The Committee re-nominated the Hon. Sir Pheroze Sethna as their representative for a further period of two years from June 1930.

B SHIPPING.

(8) The Report of the Conference on the Operation of Dominion Legislation and Merchant Shipping Legislation, 1929.

The attention of the Committee was drawn to the interpellations raised in the Legislative Assembly on the 27th February, 1930, on the above subject. In reply to a question whether Government intended to invite the views of commercial bodies on the above report, the Honourable the Commerce Member was

reported to have said that as copies of the above report had been sent to commercial bodies, they would not hesitate to communicate their views to Government. The Committee addressed the Government of India that they should, as was the usual practice, invite the views of the commercial bodies on the report and should not rest content with merely sending a copy of the report, leaving it to the commercial bodies to infer whether or not, Government expected their observations on the same.

Subsequently, Government invited the views of the Committee on the report. In forwarding their observations on the Report, the Committee expressed their satisfaction at the conclusion arrived at by the Conference that as the position of India in matters of merchant shipping legislation had always been to all intents and purposes identical with that of the Dominions, it was not anticipated that there would be any serious difficulty in applying the principles of their recommendations to India, and stated that the recommendation of the Conference to the effect that there would no longer be any doubt as to the full and complete power of any Dominion Parliament to enact legislation in respect of merchant shipping nor would Dominion laws be liable to be held inoperative on the ground of repugnancy to laws passed by the Parliament of the United Kingdom, would, they hoped, apply to India also, and further that there would not be any serious difficulty in the application of these principles to India. They endorsed the suggestion of the Conference to the effect that the proper method of so doing should be considered by His Majesty's Government in the United Kingdom and the Government of India. The Committee stated that the necessary steps to that effect should be taken up. They suggested that when the new Government of India Bill was framed, opportunity should be taken to incorporate therein the powers which would place the Indian Legislature on a footing equal to that of any other Dominion in the British Commonwealth.

As regards registration of ships, the Committee stated that the present position was that the Dominions had no power to provide their own rules and regulations or the registration of ships and that this was hardly in keeping with the sovereign powers now claimed by the Dominions. They stated that the bar, if any, to the creation of new Dominion Registers, should be removed. They suggested

that each Dominion, including India, should have a separate registry for the ownership of ships under two sets of rules, one providing for the qualifications for ownership, which were common to all parts of the Commonwealth and the other providing for the special rules which Dominions and India might think proper to lay down in this connection.

The Committee expressed their satisfaction at the recommendation of the Conference laying down that under the new position adumbrated, each part of the Commonwealth would have full power to deal with its own coasting trade. The Committee, however, drew the attention of the Government to the fact that this recommendation of the Conference stood in a contrast with the other laying down that the Governments of the several parts of the Commonwealth might agree for a limited number of years to continue the present position under which ships of any part of the Commonwealth were free to engage in the coasting trade of any other part. The two recommendations taken together perpetuated the *status quo* under the camouflage of high sounding concessions which meant nothing in reality. In conclusion, the Committee stated that it was very essential that India should, along with other Dominions, have power to legislate freely in the matter of its coasting trade in her best interests and urged upon the Government of India the necessity of taking early steps to carry out the most important recommendation of the Conference under which full and complete power of the Indian parliament to enact such legislation as it liked in connection with its coasting trade was to be fully secured to it. After expressing their opinion on various other suggestions of the Conference, the Committee requested Government to appoint a non-official Indian conversant with Indian shipping to assist the Indian delegation to the next Imperial Conference where important matters connected with shipping were to be discussed.

(9) Coastal Traffic Reservation Bill: Report of the Select Committee of the Legislative Assembly.

It will be remembered that at the suggestion of Mr. Sarabhai N. Haji, the sponsor of the Reservation of the Coastal Traffic of India Bill, the Legislative Assembly had resolved that the Select Committee Report on the above Bill should be recirculated for eliciting public opinion. Accordingly the Government of Bombay

invited the views of the Committee on the provisions of the Bill as amended by the Select Committee. The Committee, in expressing their approval of the amendments made by the Select Committee reiterated their views on the provisions of the Bill as expressed in July 1928. In this connection the Committee drew the attention of Government to the observation in the Report of the Conference on the operation of Dominion legislation, and Merchant Shipping legislation, 1929, in regard to the right and power of every part of the Empire to regulate its coasting Trade as it deemed fit. After the clear expression of opinion by the Conference the Committee observed, the cry of expropriation and discrimination, started from interested quarters was a bogey.

(10) Associated Chambers of Commerce of India & Ceylon and "discriminatory legislation."

The attention of the Committee was drawn to a circular letter addressed by the Associated Chambers of Commerce of India and Ceylon to all the Members of Parliament, Chambers of Commerce, etc., in connection with the Coastal Traffic Reservation Bill. This circular was issued in reply to the statement issued by the President of the Federation of Indian Chambers of Commerce and Industry last year on the same subject, in reply to a similar attempt on the part of the Associated Chambers then. The Committee thereupon rejuested the Federation to consider the misleading circular of the Associated Chambers as early as possible, in view of the imminent constitutional changes in the country. However the Committee of the Federation thought that as there were no new points in the statement of the Associated Chamber, a fresh rejoinder need not be issued.

(11) Consultation by the League of Nations regarding the Maritime Coasting Trade.

The attention of the Committee was drawn to the fact that the League of Nations had sent out a questionnaire to member states asking for information in regard to the present position of the Coasting Trade of the different countries under the existing laws and regulations. In this connection the Government of India, the Committee were informed, did not propose to refer in their reply to the Coastal Reservation Bill that was before the Legislative Assembly. The Committee wrote to the Government of India, suggesting the

desirability of referring in their reply to the Coastal Traffic Reservation Bill before the Assembly, as the principle of the Bill had already been accepted. In this connection the Government of India informed the Committee that they did not think it necessary to make any reference to the Coastal Traffic Reservation Bill in their reply to the League as the enquiry was in regard to the existing provisions of law. The Committee thereupon wrote to the League of Nations stating that the Government of India in their reply to the League of Nations were likely to refer only to the legislation on the subject as it existed at present. The Committee were of opinion that if the League were to appreciate fully the present position of the Coasting Trade legislation in India they should have upto date information including references to measures before the Indian Legislative Assembly although such measures might not have reached the final stage of being put on the statute book. They therefore drew the attention of the League of Nations to the Coastal Traffic Reservation Bill which purported to reserve for Indian nationals the Coasting Trade of India. They added that as there was a divergence of opinion between the elected Indian representatives in the Assembly on the one side and the Government of India and non-Indian members on the other, the Committee thought it necessary to convey to the League the full facts of the case. They further pointed out that the principle underlying the Bill was endorsed by the Indian Mercantile Marine Committee appointed by the Government of India themselves and was accepted by the Assembly.

(12) Development of Indian Mercantile Marine.

The Committee addressed a communication to the Government of India in connection with the development of the Indian Mercantile Marine. They referred to the communique issued by the Government of India on the 6th January 1930 after the close of the Shipping Conference convened by H. E. the Viceroy wherein they had stated that they would take into consideration, at an early date, the issues raised in the discussion which took place at the above Conference, and pointed out that it was more than 10 months since the announcement had been made, and they were, therefore, anxious to know what action the Government of India had taken or proposed to take in pursuance of this communique for the development of the Indian Mercantile Marine.

(13) Direct entry of the cadets of the I. M. M. T. S. "Dufferin" to the Royal Indian Marine.

The Committee of the Chamber wrote to the Government of India requesting them to extend the privilege of direct entry into the Royal Indian Marine to the cadets of the Training Ship "Dufferin." They drew the attention of the Government of India to the recommendations made by the Indian Mercantile Marine Committee in 1924 on this subject wherein they had pointed out, that the Indianisation of the services of the Royal Indian Marine was a matter of importance and the preliminary training necessary for this purpose should take place in the Training Ship. In conclusion, the Committee referred to the privileges for direct entry into the Royal Navy accorded to a certain number of cadets of the Training Ships "Worcester" and "Convoy," as also to the cadets of the Training Ship "General Botha" in South Africa, and pointed out that no such privilege had been extended by the Government of India to the cadets of the Training Ship "Dufferin" for direct entry into the R. I. M. In view of these facts, the Committee expressed the hope that the future recruits to the Commissioned Ranks of the R. I. M. would be chosen from the cadets of the Training Ship "Dufferin."

(14) Grant of License to medical practitioners in Port Area.

The Shipping Master, Bombay, forwarded to the Committee a copy of the letter from the Surgeon-General to the Government of Bombay to the Secretary to the Government of Bombay, General Department, on the above subject, for their opinion and remarks. It was pointed out in the letter from the Surgeon-General to the Government of Bombay that in the interests of maritime health, it was desirable that all Medical men practising within Port limits should be licensed by the Port Health Department.

In their reply the Committee informed the Shipping Master that they could not support the suggestion made by the Surgeon-General in his letter. They stated that a medical practitioner was generally regisered on the register of the Bombay Medical Council, as without such registration he could not practise as a qualified doctor within the limits of the authority who issued such a license. It would, they pointed out, be incongruous to require a medical practitioner to have, as it were, two licences, one from the Medical Council and the

other from the Port Health Officer of Bombay. In the City of Bombay and in the Port of Bombay as well, the Bombay Medical Council was the only authority for issuing licences, and if a medical practitioner violated any of the Rules of the Council, he was exposed to a heavy penalty, namely, of having his name struck off from the Register of the Council. They felt that the additional powers asked for by the Port Health Officer, were unnecessary and constituted a serious encroachment on the rights and privileges of the registered medical practitioners. On account of all these reasons the Committee opposed the suggestion made by the Surgeon-General, and hoped that the Government of Bombay would not take any steps in this direction. They suggested that the Port Health Officer should be required to give free consultation, whenever there was any suspicious case of epidemic disease on board a ship within the limits of the Port of Bombay and that a medical practitioner reporting such a case to the Municipal Health Officer and to the Port Health Officer, should be paid a particular fee for his report as was the case in London.

(15) Proposed new Rules in regard to provision of fire extinguishing apparatus for pilgrim ships.

The Government of Bombay forwarded to the Committee a copy of the draft rules for pilgrim ships in regard to the provision of fire extinguishing apparatus, for their opinion. In reply, the Committee informed the Government that they were in general agreement with the draft rules. They suggested a slight modification in Rule 7 in connection with the diameter of the water service pipe.

(16) Proposed new rules in regard to signals of distress for pilgrim ships.

The Government of Bombay forwarded to the Committee a copy of the proposed new rules in regard to signals of distress for pilgrim ships for their opinion. In reply, the Committee informed the Government of Bombay that they were in general agreement with the draft rules.

(17) Draft Convention and recommendations concerning the protection of workers against accidents in loading and un-loading ships.

The Government of Bombay forwarded to the Committee a copy of the letter from the Government of India on the above subject asking for the views of the Committee thereon. In their reply to

the Government of Bombay, the Committee referred to their previous letter asking for information as to the number and nature of such accidents and pointed out that this information had not, so far, been supplied to them. While noting the observations made by the Government of India that they were provisionally of opinion that the protective measures described by the Convention were not unsuitable to Indian conditions, the Committee pointed out that as stated in their letter of the 5th December 1928, many of the precautions suggested, had been taken by the authorities and the ship-owners and hence they were of opinion that there was no need for legislation on the subject. The Committee, however, stated that they had no objection to the Convention and the recommendations being ratified provided the places where loading and un-loading were occasionally carried on, or where the traffic was small were exempted from the full operation of the same. In conclusion the Committee endorsed the recommendation that in drawing up regulations dealing with the safety of workers, employers' and workers' organisations should be consulted.

(18) Draft rules in regard to life saving appliances on pilgrim ships.

The Government of Bombay forwarded to the Committee a copy of the draft rules in regard to life saving appliances for pilgrim ships for their opinion. In their reply the Committee enquired of the Government whether these rules had been framed in consultation with other Governments directly interested in the carriage of pilgrims as required by Clause (b) sub-section 4, article 12 of the International Convention on the safety of life at sea. They pointed out that in Rule 4 the usual requirement in respect of life boats viz., that there should be accommodation in boats for all persons on board, was departed from and instead an additional provision for buoyant apparatus for 25 per cent. of the passengers on board was substituted. The Committee enquired of the Government whether in view of the fact that these ships were performing what are known as long International voyages, the exemption was made in consultation with other Governments interested in the trade.

As regards Rules 28 and 29 the Committee pointed out that life-boat-men holding such certificates of efficiency were not to be found in the country and they therefore, suggested that Government should establish necessary schools at principal ports in India for

imparting the necessary training to Indian seamen and that Government should circularise the details of the course of training to the shipping companies. In conclusion the Committee stated that subject to these observations they were in general agreement with the rules.

(19) Questionnaire regarding the regulation of hours of work on board ship.

The Government of India forwarded to the Committee for their opinion the questionnaire regarding the regulation of hours of work on boardship, prepared by the International Labour Office and based upon the conclusions arrived at on this question by the 13th Session of the Interntaional Labour Conference. In their replies to the questionnaire the Committee stated that the present proposal to regulate hours of work on board ship was an attempt to extend the 8 hours-day principle to the Mercantile Marine, and while they were not against removing hardships that the present system of work at sea might be entailing on seamen by a system of agreements, they were against fixing the 8 hours-day principle to an industry which was passing through depression. The Committee stated that as in their opinion the hours of work might be regulated wherever necessary, and by mutual national agreements, their replies to further queries should be taken from that point of view. In reply to question 2 the Committee expressed their opinion that unless a case of hardship which the existing system of work entailed on seamen at sea was made out, the present position of the industry should not be disturbed. If, however, a case for the restriction of hours of work at sea was established, action should be taken by the National Governments, bearing in mind the economic effect of such restrictions, and in consultation with the association of shipowners and seamen.

In reply to question 4 the Committee stated that they did not see any necessity for making any exception in the case of Government vessels not engaged in trade and vessels engaged in urgent work of public utility, unless they were actually engaged in national work. They had no objection to making exceptions in the case of sailing ships and fishing vessels.

The Committee also forwarded their detailed replies to the other questions in the questionnaire and drew the attention of the

Government to paragraph 3 of Article 405 of the Treaty of Peace providing that in passing any recommendations or Convention for general application, the International Labour Conference shall have to give due regard to those countries in which special circumstances made industrial conditions different and shall suggest the modifications, if any which it considered necessary. The Committee suggested that the Associations vitally concerned should be consulted in this matter.

(20) The Conference of Shipping interests in India to consider the draft rules re: Life saving appliances.

The Federation of Indian Chambers of Commerce and Industry invited the Committee of the Chamber to suggest three persons interested in shipping trade to represent the Federation at the above Conference. In their reply the Committee suggested the names of (1) Mr. Jamnadas M. Mehta, (2) Mr. Abdul Bari Chowdhory (3) Mr. S. J. Pandya to represent the Federation at the Conference.

(21) Revision of the scale of provisions supplied to Indian Seamen on board ships.

The Government of India forwarded to the Committee for their remarks a copy of the schedule in connection with the existing scales of provisions prescribed for lascars and other native seamen engaged in foreign-going ships with the modifications which they proposed to make as a result of the consideration given to a representation from the Indian Seamen's Union, Bombay. The Committee stated that they had no objection to the proposed revision in the scale of provisions supplied to Indian Seamen on board ships.

(22) The Report of the Load Line Committee, 1927-29.

The Government of India invited the views of the Committee on the report of the Load Line Committee, 1927-29. In consultation with their Shipping Sub-Committee, the Committee submitted a note embodying the views on the report. They were in general agreement with the recommendations made by the Load Lines Committee. They however; could not agree to the rule for determining the maximum load lines of merchant ships, which was that the upper edge of the line should pass through the point where the continuation outwards of the upper surface of the free-board deck intersects the outer surface

of the shell. In their opinion, the word **outer,** should be replaced by the word **inner.**

They were also opposed to the reduction in the period of Indian summer as proposed in the report.

(23) International Conference on Load Lines.

The Committee understood that an International Conference was going to be held shortly to consider the report of the Load Line Committee, 1927-29. The Committee sent a telegram to the Government of India, in the Commerce Department, urging that a representative of Indian shipping with business experience be sent to that Conference, as questions very important to Indian shipping were likely to be discussed there.

(24) International Convention regarding safety of life at sea:

The Government of India forwarded a copy of the International Convention for the safety of life at sea for the opinion of the Committee. The Committee in reply stated that they were in general agreement with the Articles of the Convention and had no objection to the Government of India ratifying the Convention. They however drew the attention of Government to sub-clause 6, Article 4, and sub-clause 5 of Article 12, whereby certain powers of exemption were given to signatories in case of passenger ships engaged in international voyages and employed in the carriage of large number of unberthed passengers in special trades such as Pilgrim trade, from complying with the Articles of the Convention. They noted that Government were considering the advisability of framing a set of rules and expressed a hope that before these rules were finally settled commercial opinion would be consulted. They also drew the attention of Government to the necessity for providing necessary facilities for training Indians in Radio Telegraphy, Libe-boat service and manning of ships.

(25) International Convention re: Marking of Weight on heavy Packages transported by Sea.

The views of the Committee were invited by the Government of India re: the desirability of ratifying the above convention adopted by the 12th Session of the International Labour Conference. As in 1926 the Committee had expressed themselves in opposition to any

such convention the Committee confined their reply to the two points on which their opinion was particularly invited, viz., (a) whether provision should be made for marking the approximate weight, when it is difficult to determine the actual weight and (b) whether the obligation for marking the weight should be placed on the consigner or on some other person. The Committee replied to (a) in the affirmative with a proviso that such weight should not be considered authoritative for customs purpose and as regards (b) they observed that the obligation should be placed on the consignor.

(26) Questionnaire regarding promotion of Seamens' welfare in ports:

The Government of Bombay forwarded to the Committee a copy of the Questionnaire issued by the International Labour Office on the above subject, for opinion. The Committee in reply emphasised the desirability of the International Labour Office taking into consideration the strength of public opinion on the question and the voluntary endeavours which were being made in different countries. As regards the Organisation, the Committee recommended that it should be run by a National Committee recognised by the Government of each country set up for carrying out the object. Strong endeavours should be made by these National Committees not only to start necessary institutions but also to educate seamen as to how they could in their own interest take advantage of such institutions. Capital expenditure required for carrying out measures mainly intended for the benefit of seamen should be borne partly by Government, partly by public authorities such as Port Trusts and partly by Shipping companies and commercial firms carrying on business at Ports. As regards recurring expenditure, the institutions should be made self-supporting as far as possible. The Committee also replied to the other items in the Questionnaire in detail.

(27) Questionnaire regarding the establishment by each maritime country of the minimum requirement of qualifications in the case of Captains, etc.

The Government invited the views of the Committee on the questionnaire on the above subject prepared by the International Labour Office. The Committee, in reply to the questions, made it clear that in the present conditions they could not agree to any convention imposing minimum qualifications for all shipping officers.

(28) Protection of Seamen in Case of Sickness, including the treatment of Seamen Injured on Board Ship.

The Government of Bombay invited the views of the Committee on the questionnaire issued by the International Labbur Office on the subject of the Protection of Seamen in case of sickness. The Committee, in consultation with their Shipping Sub-Committee prepared an elaborate reply to the questionnaire and forwarded the same to the Government.

(29) Seamen's Articles of Agreement—International Convention re:

The Government of India invited the views of the Committee re: ratification of the Draft Convention concerning Seamen's Article's of Agreement adopted by the 9th session of the International Labour Conference. The Committee replied that they had no objection to the Convention being ratified, and suggested certain amendments to some of the clauses.

(30) Chamber's representative on the Governing Body of the "I. M. M. T. S." "Dufferin."

The term of office of Mr. M. A. Master, the Chamber's representative on the I. M. M. T. S. "Dufferin" having expired the Government invited the Committee to nominate a representative for a further term. Mr. M. A. Master was re-nominated for a further term.

(31) Annual Conference of the Indian Ports Association.

The Committee were informed that among the items on the Agenda before the 1930 Session of the Annual Conference of Indian Ports Association were (1) the Reservation of Indian Coastal Shipping and (2) Centralisation of the administration of the Indian Ports. As the Chairmen of the Port Trusts attended the conference in their official capacity, it was represented to the Committee that they should, through their representatives on the Board of Trustees of the Bombay Port Trust, desire the Chairman of the Bombay Port Trust, not to express any opinion on behalf of the Trust and commit them to any view at the conference except with a mandate of the Board. The Chamber's representatives on the Board were requested to communicate with the Chairman of the Port Trust in the matter.

(32) Appointment of an Indian as Chairman of the Bombay Port Trust.

The Committee were informed that it was sought to extend the term of office of the present Chairman of the Bombay Port Trust, who was due to retire shortly. Thereupon they addressed the Government of Bombay, urging that the time had arrived for an Indian, having business experience being appointed to the post. The Committee expressed the hope that their suggestion would receive favourable consideration and that an Indian with business experience would succeed the present incumbent.

The Government in their reply informed the Committee that the suggestion would be "duly considered at the proper time."

(33) The Establishment of an Indian Sailors' Home in Bombay.

The Government of Bombay invited the views of the Committee on the Report of the Indian Sailors' Home Committee. The Committee in offering their views endorsed the views of the Sailors' Home Committee that "nothing had been undertaken so far for the welfare of the Indian Seamen and this omission should be remedied at the earliest possible moment." But the Committee could not agree to the recommendation contained in the Report that in the first instance the Home should be restricted to Mahomedan Engine Room Crew only. On principle, the Committee observed, it was wrong to erect a memorial out of funds contributed by the general public for the benefit of one community of seamen only. They wanted the Home to be left open for all classes of Seamen without any distinction.

The Committee also suggested that Indian Shipping interests should be represented on the proposed Committee for the control of the Home.

(34) Revision of Rent by the Bombay Port Trust.

The Iron Merchants' Association drew the attention of the Committee to the proposal by the Bombay Port Trust to increase the scale of rent for tenancies in the iron market at Argyle Road from 3 annas to 6 annas per square yard per mensem. This increase by 100 per cent. it was represented to the Committee, would be very hard on iron merchants at a time when there was a general depression in the trade. The Committee requested the Chamber's representatives on the Board of Trustees of the Port Trust to support the iron merchants' represen-

tation for cancelling the increase, when the matter came up for consideration before the Board.

C ROAD TRANSPORT.

(35) Standardisation of Motor Vehicle Rules.

The attention of the Committee was drawn to the diversity in the Motor Vehicle Rules and regulations in the different provinces and even as between different districts in the same province. It was pointed out to the Committee that there was no uniformity even in the matter of rules for licensing and taxing of motor cars in the different districts in the Presidency. The Committee therefore suggested to the Government of Bombay that steps should be taken to frame a set of standard rules applicable throughout the Presidency. The Government in reply asked the Committee for specific instances of discordant rules, which in their opinion, should be standardised.

Subsequently, the Motor Vehicles Rules Standardisation Committee of Bombay forwarded to the Committee a copy of the draft Rules for the Standardisation of Motor Vehicle Rules in India, as compiled by that Committee and forwarded to the Government of India, for their opinion. The draft Rules were considered by the Transport Sub-Committee and the Committee informed the Motor Vehicles Rules Standardisation Committee that they had no suggestions to make in these Rules.

(36) Amendments in the Bombay Motor Vehicle Rules.

The attention of the Committee was drawn to the proposal of the Government of Bombay to amend the Bombay Motor Vehicle Rules with a view to increase the fees levied under these rules for driving licenses, renewal of licenses, registration, etc., by about 100 per cent. The Committee in recording their protest against the proposal drew the attention of Government to the fact that the annual average taxation per vehicle in India had been estimated at nearly 55 per cent. higher than that in England. Motor Cars had long ceased to be a luxury and motor traction was playing an important part in rural areas in that it had filled in the want of feeder Railways by connecting agricultural districts with market towns; on these grounds the Committee objected to the proposal to increase the fees.

(37) Amendment to Bombay Motor Vehicle Rules.

The Committee considered the following amendment to the Bombay Motor Vehicles Rules as announced in the press note issued by the Government of Bombay:—

> "7-C When a motor vehicle is registered for the first time, the registration fee leviable shall consist of an initial fee equal to one-fifth of the full registration fee **plus** as much again per quarter for the number of quarters intervening between the date of registration and 31st August. In calculating the number of quarters that are still to run, a period of less than a month shall not be taken into account and a fraction of a quarter consisting of not less than one month shall be considered as a complete quarter."
>
> "The fee leviable on motor cycles and heavy motor vehicles will also be calculated as above."

The Committee informed the Government of Bombay that they had no objection to the proposed amendment.

(38) The Chamber's Representation on the Road Board.

The term of office of Mr. Walchand Hirachand, representative of the Chamber on the Road Board having expired, the Government of Bombay invited the Committee to nominate a successor. Mr. Walchand Hirachand was re-nominated for a further term of 2 years.

D COMMUNICATIONS.

(39) Trunk Telephone facilities between large commercial centres.

The Director General of Posts and Telegraphs invited the views of the Committee on the proposal to develop the trunk telephone service between large commercial centres in India and requested the Committee to supply him with a list of commercial centres with which trunk telephone facilities would be required. Suggestions from the Committee were also invited on the general improvement of the existing trunk telephone service.

In forwarding their opinion, the Committee suggested that Hyderabad (Dn.) should be connected by telephone with Bombay as Hyderabad was the centre of a large and important cotton district. They suggested that a system of wireless telephones should be introduced now as far as possible in this country. They also suggested that with regard to the person-to-person calls if no such connection was obtained

no charge should be levied on the person desiring the connection and that the 25 per cent. extra charge which is levied at present for the call to a particular person should only be levied if the connection with that particular person was obtained.

(40) Trunk telephone service between Bombay and the United Kingdom.

In connection with a suggestion before the Government of India regarding the establishment of a wireless telephone service between Bombay and the United Kingdom, the Director-General of Posts and Telegraphs invited the opinion of the Committee as to the need for, and utility of, such a service. The Committee were informed that it was tentotively suggested that a charge of £2|- for each minute's conversation subject to a minimum of 3 minutes should be made and were asked whether any considerable use of the system would be made if the system were introduced at such a rate of charge.

The Committee asked for information (1) as to whether Government proposed to subsidise the service (2) re: an estimate of the total cost and (3) the annual recurring charges for maintaining the service. They were in reply informed that Government did not propose to subsidise the service and as regards the other points, Government feared that the proposed operating company might not be prepared to furnish the information. The Committee then enquired of Government of the terms under which a monopoly for such a service was to be granted to the operating company, in reply to which they were informed that the proposition had only reached that stage at which the question of the need for the service was being investigated and that information asked for would be a subject for future negotiations between Government and the Company, if the proposal was to be proceded with.

(41) Bombay Telephone Co., and the Message—rate System.

It was mentioned in the Annual Report of the Committee for the year 1929 (item No. 32) that they were in communication with the Bombay Telephone Company re: the insertion of a new clause in their contract form, entitling them to terminate all contracts at three month's notice in the event of the Message Rate System of charges being introduced. The Telephone Company subsequently agreed to the deletion of this clause.

(42) The New Contract Form of the Bombay Telephone Co., Ltd.

The Committee drew the attention of the Bombay Telephone Co., Ltd., to a material alteration in Clause 3 of the new Contract Form of the Company which had been sent out to the subscribers for their signature. Through this alteration the Company reserved to themselves the power "to disconnect a subscriber, if any sum payable by the subscriber under the Contract, or **in respect of any other account** matter or thing remains unpaid for 48 hours." They stated that the powers provided for under the clause were too wide and arbitrary and that they saw no justification why the Company should be empowered to disconnect a subscriber for any of these liabilities other than in connection with the Telephone service. They expressed their opinion that the portion of the clause vesting in the Company the power to disconnect the service for liabilities "in respect of any other account" should be deleted. They also suggested that the Contracting Parties should equally share the Stamp duty necessary for the new contract. In their reply, the Bombay Telephone Co., stated that they had decided to alter conditions 3 and 6 of the existing form of contract so that the Company's right to disconnect a line would only arise in connection with sums due in respect of the Telephone service. As regards the Stamp Duty payable on the contracts, they stated that they were not prepared to alter the existing practice.

(43) Scale of Charges of the Bombay Telephone Company.

The attention of the Committee was drawn to the very high scale of charges of the telephone company for extensions, removals, etc. It was felt that the charges fixed were very arbitrary and quite out of proportion to the economic cost of the services rendered. The Committee addressed the Telephone Company suggesting to them the desirability of revising their scale of charges, both in the interest of a wider use and in the interest of the subscribers. The Committee observed that from a public utility company working under an exclusive license the public were entitled to the service at a reasonable cost.

(44) Extension of the Telephone Service to Borivli.

At the instance of a member, the Committee suggested to the Telephone Company the desirability of their extending the telephone service to Borivli and Malad. The Company in reply informed the Committee that in 1929 the matter was considered by their Board but

owing to the paucity of subscribers the idea had to be dropped. The Company added that they were prepared to extend the service, if there were 50 potential subscribers forthcoming, prepared to enter into a contract for three years, after depositing one year's subscription.

(45) International Telegraph Conference, 1932.

The Director-General of Posts & Telegraphs informed the Committee that the next International Telegraph Conference was to be held at Madrid in 1932 and enquired of the Committee whether they had any suggestions to make to the Government of India in connection with the Regulations applicable to foreign telegrams. In their reply the Committee drew the attention of the Government to the correspondence which had passed between them and the Government of India in 1927 on the subject of the proportion of numbers in the text of deferred foreign telegrams and stated that the Government of India should again approach the International Telegraph Conference with a view to abrogating the new Rules adopted at the Paris Conference in 1925 and substituting the old Rules instead. The Committee also suggested that the Government of India should press again for the reduction of treble charges levied on urgent foreign telegrams and for the necessity of extending the D. L. T. and W. L. T. services to all the countries.

(46) Censorship of Private Telegrams:

A member of the Chamber complained to the Committee that the following telegraphic message of his was not transmitted "as being objectionable."

"Castorseed no reply Markets closed do what is advisable."

As the message in question seemed to the Committee to be innocuous, they enquired of the postal authorities, the reasons why it was thought necessary to stop the telegram. The Postmaster-General informed the Committee that transmission was "witheld under Indian Telegraphs Rule 13."

(47) Introduction of "Business reply envelopes."

The Postmaster-General, Bombay, invited the views of the Committee on a proposition put forward by the Associated Chambers of Commerce of India and Ceylon in regard to the introduction of "Business reply envelopes." The details of the proposal in brief were: that

it should be possible to enter into an arrangement with the postal authorities under which permits were to be issued to houses of repute to empower them to enclose unstamped covers marked "Business reply envelope" for reply on the understanding that the party concerned would pay the postage on such replies being received. The arrangement, it was contended, would eliminate the loss which fell by most of the prepaid envelopes not being returned.

The Committee expressed the opinion that the arrangement was bound to become popular, if it was well advertised and if the terms on which the concession was allowed were reasonable. They also enquired of the authorities whether this facility would be extended to individuals for non-business purposes.

(48) Proposed Prohibition of money orders signed by more than one person as remitter.

The Postmaster-General, Bombay, invited the views of the Committee on the proposal to prohibit the acceptance of money orders signed by more than one person as remitter. They enquired as to the reason which had prompted the proposal and were in reply informed that, in cases where money orders signed by more than one person as co-remitters were received back unpaid, difficulty was experienced in paying the amount back, as all the remitters had to sign at the time of repayment. The Committee suggested that the difficulty would be met by a provision in the money order form to the effect that on its being returned as unaccepted the amount would be refunded to the party whose name appeared first on the form as one of the remitters.

2 FINANCE, TAXATION AND TARIFFS.

(49) The Financial Statement of the Government of India for the year 1930-31.

On the 28th February Sir George Schuster, Finance Member, of the Government of India presented to the Legislative Assembly the Budget of the Government of India for the year 1930-31, which showed a deficit of 440 lakhs. But by the new taxation proposals, outlined in the financial statement, it was expected to raise an additional revenue of 510 lakhs, thus allowing for a surplus of 70 lakhs, after meeting the deficit.

The Committee sent a telegram to the Finance Department protesting against the failure in supplying them with a copy of the Budget and the Budget speech on the 28th February, as was the usual practice. This, they observed, had handicapped their discussing the budget, as they had to rely upon the cursory press reports in considering the same.

In expressing their views on the budget proposals the Committee sent a telegram to the Finance Department embodying the following points:—

(1) They urged that it was high time for reducing the Military expenditure and further expected substantial retrenchment in civil expenditure.

(2) They welcomed the proposed increase in the import duty on Sugar of Re. 1 1|2 per cent. on the ground that it would afford some protection to the indigenous sugar industry. At the same time they recommended that the same duty should be extended to imports of gur.

(3) Though they welcomed the reduction in the export duty on rice, they observed that the existence of the duty even at its reduced rate, was an offence against sound economy, as no taxation should be imposed on the Country's own products by way of excise or export duty unless the same be a monopoly product.

(4) They opposed the proposal to increase the scale of income and super-tax, the same being an extra burden on the individual tax-payer.

(5) They objected to the import duty on silver of 4 as. per oz. as the same was wrong in principle. This artificial attempt to raise the value of silver would not benefit the silver wealth of the community. The Committee therefore, strongly urged, that pending the revision of the entire currency policy of the country no steps should be taken to tax movements of precious metals.

(6) The Committee noted with satisfaction that at last Government had seen their way to afford some protection to the

Textile Industry. They welcomed the proposed increase in import duty on Cotton piece-goods from 11 to 15 per cent. But their satisfaction was mingled with disappointment at the fact that in proposing further protection to the Industry by a protective duty of 5 per cent. on non-British goods, the Government had incorporated the principle of Imperial Preference in the measure. This principle had in the past always been objected to by the Committee and the Commercial Community. But in view of the exceptional circumstances through which the industry was passing, the Committee had no alternative but to accept the proposal, though in doing so they made it clear that this "unavoidable aceptance of the proposal must never be construed as endorsing the principle of Imperial Preference."

(7) They also pressed for a reduction of duty on salt, the more so, in view of the proposals for additional taxation contained in the Budget.

(50) The £6,000,000 Sterling Loan.

On the 9th February the prospectus of a sterling loan of 6 million to be issued in the form of 1932-33 bonds was published by Government. The issue price was £99 per cent. bearing interest at 6 per cent. per annum, repayable at par in June 1932, or at the discretion of the Secretary of State for India in June 1933 at £101|- per cent. The Committee sent a telegram to the Government of India protesting against the raising of the loan not only because it was a loan raised outside India, and as such against the best economic interests of the country but also because of the unjustifiably high rate of interest offered. They reiterated their objection to raising loans in the foreign money market and drew their attention to the disastrous effect such a high rate of interest would have on the trade and industries of the country.

(51) The £7,000,000 Sterling Loan Issued in May.

The Committee addressed a representation to the Government of India on the subjet of the issue of £7,000,000 Sterling Loan in May 1930. In this connection they reiterated their previous ob-

jections in principle to borrowings in the foreign money market. They pointed out that Government had been obliged to resort to the London Market for borrowing as an inevitable result of their currency policy. The state to which the financial condition of the Government had been reduced was reflected in the compulsion of Government during the last week to withdraw from the Exchange Market. For two weeks in succession the Government received no tenders for exchange and they were compelled to withdraw from the Exchange Market in a manner which practically admitted their inability to fight the natural economic forces. The Committee pointed out that exchange had not only touched the lower gold point but had also gone under it. They drew the attention of Government to the serious result such a state of affairs would have on the popular mind.

They also protested against the continued contractions of currency that had been effected by Government from the beginning of the year. The total amount of such contractions since the beginning of the calender year was as high as 17 crores of Rupees; and they drew the attention of Government to the serious effect which the withdrawal of such a substantial amount would have on the Indian money market. The Committee, in conclusion, regretted that the present constitutional position of the Government gave them no alternative but only to register their emphatic protest at every wrong step that Government might take.

(52) The Sterling loan of the Government of India, October 1930.

The Committee addressed a communication to the Government of India in connection with the sterling loan issued in October 1930, in London. They pointed out that in spite of previous promises that opportunities would be given to Indian investors to take up this loan, no facilities had actually been given to them. They stated that it was their considered opinion that perhaps Indian investments in the sterling loan would have militated against the very object with which the loan was raised, as it would have created a remittance from India, instead of the other way, which was required for the maintenance of the exchange. The heavy rates of interest paid by Government on their borrowings—to which they had to resort mainly for sustaining their exchange—constituted a direct tax on industry and on trade and had the disastrous effect of accentuating the fall of commodity prices and bringing about an unprecedented situation of distress at

a time when the commercial community looked to Government for relief. In view of this fact the Committee raised the direct issue as to whether Government intended even now to persist maintaining an exchange ratio which had been forced on this country against the universal opinion of the commercial community. Looking at the condition of Government finances generally and at the economic conditions in India, on which Government finances ultimately must rely, they felt that the time had come when Government might well admit their past mistake and act as a national Government would act under the circumstances, instead of pursuing a policy largely dictated from London and obviously in the interests of the London money market.

The Committee referred to the easier conditions in the principal money markets of the world and stated that in view of all this, they could not see the justification for such a high rate of interest as 6 per cent. They also pointed out that this loan was at a premium of 2 1|2 per cent. within 72 hours of the issue and the last loan was also of a premium of about 3 per cent. The only conclusion that thy could come to was that the exact estimation of the situation by those who had fixed the loan terms had not proved to be correct.

The Committee observed that the time had come when Government should not make any further sacrifices of Indian funds and Indian resources to bolster up an artificial and unnatural value of the rupee, which was not justified by circumstances. In their opinion the economic distress, which was visible in every market in every commodity, would be to some extent relieved and the position of industry and trade, particularly of the primary producer was bound to improve if exchange was allowed to slide down as it has been wanting to do for a long time. They stated that the commercial community was entitled to this measure of relief at the hands of Government.

In conclusion the Committee enquired of the Government as to whether any underwriters had been appointed to underwrite the loan and, if so what the rate of commission allowed to them was. In reply to this enquiry the Government of India informed the Committee that the loan had been underwritten and that the usual commission of 1 1|4 per cent. had been paid.

(53) Sale of Reverse Councils by the Government of India.

The Committee addressed the following telegram to the Government of India, Finance Department, on the 27th November 1930 regarding the sale of Reverse Councils by Government.

"Committee of Indian Merchants' Chamber beg to draw attention of Government of India to transfer from Paper Currency Reserve in England to Home Treasury amounting to £64,950 for week ending 22nd November 1930 representing remittance to meet sale of Reverse Councils. Committee request Government to inform them of the extent Reverse Councils are proposed to be issued. Committee would also like to know if sale of Reverse Councils indicates that other measures for maintaining Exchange at Statutory ratio have failed, and this measure is now resorted to as the very last expedient. Committee beg to inquire if Government have considered the effect of any depletion of India's not too ample gold resources on people's faith in the Currency."

(54) The Trade depression and the general economic situation in India.

In February 1930, the Committee addressed a representation to the Government of India (Finance Department) in connection with the depression in the trade and industries and the general economic situation in the country. The following are some of the important extracts from that representation:—

"I am directed by my Committee to address you with reference to the general economic situation in the country, which has been becoming more and more serious in recent months. I am to address you, in particular, with reference to the situation in Bombay which has become critical and acute. Trade is at a standstill. The Cotton Mill Industry on which the prosperity of the City depends is in imminent danger of being ruined. Unemployment has been on the increase, and is still increasing. Earnings have heavily declined. The purchasing power of the people has been impoverished. Their taxable capacity has been steadily and seriously reduced, and the burden of taxation has therefore become unbearably oppressive. Municipal and Provincial Budgets have been seriously affected. Not only are the nation-building activities starved for want of finance, but even the maintenance of existing institutions of public welfare is at stake. Further, the continued and acute depression in trade and industry is affecting also the Port and Improvement Trusts. The

railways serving this City and the Presidency are similarly affected, and so also public utility companies. Property values have seriously declined. Industrial investment all round is giving a poorer yield, if any at all. There has been a serious shrinkage in credit. Confidence, which is the basis of business relations, is being shaken. It has almost ceased to exist. Numberless business concerns are in difficulties, and have been working at a loss. Many are on the verge of, or have already gone into, liquidation, and individuals into bankruptcy. As a result, discontent has been spreading; and at a time when there is so much political ferment my Committee have grave apprehensions of its developing into serious unrest, not only economic, but also political, for the one rests on the other, unless measures are taken, not to repress it and drive it underground,—but to deal with the root causes that have been creating it.

"2. These causes, my Committee are convinced, are largely, economic and are creating an atmosphere so easily chargeable with the elements of disturbance and disorder. And my Committee warn Government, with all the earnestness that they can command, that unless Government bestir themselves and remove those causes, disaster of a kind and a magnitude, never experienced before, will overtake this City and Province and even the country. My Committee are convinced that nothing short of a bold and far-seeing policy, grappling with essential causes, will save a situation that is not yet forlorn. Gravest consequences not only to the public but also to the Government will otherwise ensue.

"3. After a very careful consideration of the whole situation my Committee are convinced that apart from the general depression in trade and industry the world over, there are special causes which have been and are accentuating it in this country. The first is the Currency and the Financial policy of the Government, with regard to which time and again have my Committee had reason to protest, as being seriously prejudicial to the economic interests of the country. The second is the want in the Government of India of an effective policy of protecting the industries of the country. And thirdly, there is a lack of interest and action on the part of Government in dealing with situations as they arise from time to time in the trade of the country. Indeed, Government action or inaction in these three matters have been such that the inference is inevitable, and logical, that

the Governmnt of India as an Executive irresponsible to the Legislature, is not only irresponsive to the needs of the people, their interests, their well-being, but is inspired with transparent regard for the exigencies of interests foreign to the interests of this country and its people. The manner in which, in spite of the extent of the administrative machinery available, the Government have shelved questions of public importance; the manner in which they have delayed the application of protection and safeguarding measures; the manner in which they have ignored Indian industrial and commercial opinion time after time; and the manner in which principles and policies have been forced on this country against the wish of those among its people who can speak with authority on Indian economic questions, can lead to no other inference."

They then made a detailed reference to the policy of the Government of India in connection with the fixation of the ratio at 18d., the depression in the cotton textile industry, the protracted delays on the part of the Government in dealing with the reports and recommendations of enquiries set up by them and to the slump in the price of cotton and the sales of silver by the Government. They also stated that the method in which the Government had dealt with these questions and the manner in which the present situation was being handled or mis-handled by Government compelled them to state that the Government had not been doing their duty towards this country and that they had shown a general disregard to their duty to the people ad to their industries. In conclusion they remarked:-

"These are strong words, but my Committee use them deliberately because the situation demands plain speaking. It calls also for a plain demand. We have begged and beseached time and again. We now demand that Government should boldly declare that they will spare no effort to save the industries of the country on which its very life blood depends, and without which neither peace nor prosperity would be possible, for, there can be no peace with poverty, and that they will act with all the means and resources in their power, administrative and financial, to carry such a declaration into effect. We demand a spirited and active assistance, not mere passive or lip sympathy, in guarding the country's vital interests, first and foremost. We demand not words, but action, and organised help and protection, such as a Government alone can give. We demand as of right, not only their attention, but the fullness of their labours, their

unstinted service as the servants of the people. And we demand that their attitude of sloth, of inactivity, of Laissez faire, of apathy and indifference shall cease; and that instead, while Rome is burning, there shall be an awakening of real responsibility and the stir of prompt, sure, speedy, serious and undivided effort to stay a crisis and a disaster that looms large before us and threatens to overwhelm the country."

(55) Public Debt of India.

The attention of the Committee was drawn to a pamphlet entitled "the Ethics of Public Debts", of India, tracing the origin and development of the public debt of India. They were of opinion that the subject-matter of the said pamphlet regarding the allocation of the debt of India between the British Government and the Government of India raised a question of vital importance to the economic well-being of this country and as such should be brought to the notice of the representatives of the Indian people on the Round Table Conference or any other machinery that may eventually be set up to solve the problem of India's political progress.

(56) Central Banking Enquiry Committee—Replies to the Questionnaire of.

The Committee submitted a memorandum embodying their views in reply to the Questionnaire of the Indian Central Banking Enquiry Committee.

They stressed the necessity for revising the system of shroffs, in place where it has disappeared and strengthening it in places where it has disappeared and strengthening it in places where it continued with diminished influence.

They reiterated their views as expressed before the provincial Banking Enquiry Committee that it was high time to introduce gold standard and gold currency in the counry.

They pointed out that steps should be taken to develop indigenous insurance business and the indigenous banks and the Imperial Bank should do all that it could to foster it.

They recommended some restrictions on the operation and expansion of non-Indian Banks.

They were also in favour of the establishment of an Industrial Bank, specialising in the financing of industries in the country.

The Committee were invited to send representatives for purposes of oral evidence before the Indian Central Banking Enquiry Committee. Mr. Husseinbhoy A. Laljee, President, Mr. Lalji Naranji and Mr. S. N. Pochkhanawala and Mr. B. N. Karanjia gave evidence on behalf of the Chamber.

(57) Currency note refund rules:

At the instance of a member, the Committee suggested to the Government of India, the desirability of amending the Currency Note Refund Rules in the following respects. At present if half notes are lost, Government pay 50 per cent. of the value of the notes within 14 days of the surrender of the counter-halves, and the balance of 50 per cent. was paid only after 5 years. The Committee felt that the period of 5 years was abnormally long and suggested that it should be reduced to 3 years. The Government in their reply held that the period of five years was "the least which should be prescribed."

(58) Indian Representation at the Session of the Economic Consultative Committee of the League of Nations.

The Committee sent a telegram to Sir Atul Chatterjee, High Commissioner for India in London, thanking him for taking with him a non-official Indian with business experience as an expert to the session of the Economic Consultative Committee of the League of Nations held in 1929 and suggesting that he should continue the procedure, for future sessions of the Committee.

(59) Commercial Representation on the Indian Delegation to the Imperial Economic Conference, 1930.

The Committee urged on the Government of India the desirability of including representatives of Indian Commerce on the Indian Delegation to the Imperial Economic Conference.

(60). Standardisation of Hundies.

The Bombay Provincial Banking Enquiry Committee invited the views of the Committee on the suggestion to standardise the different usages to which Hundies are subject in different places. The Committee

replied that such standardisation would not be suitable or practicable as different systems existed in different places according to local conditions and practices.

(61) The Imperial Bank and the Declaration necessary while Opening Accounts

The attention of the Committee was drawn to the clause in the Account Opening form of the Imperial Bank of India, providing for a declaration that the money deposited in respect of the account was personal or self-acquired property. The Committee made enquiries of the Imperial Bank of India of the reasons why it was thought necessary to demand such a declaration. The Bank, in reply, informed the Committee that the Declaration was taken as a safeguard against possibilities of the moneys in a deceased Hindu depositor's account being claimed as the property of the joint Hindu family under the Mitakshara School of Law. The Bank, however, added that such a declaration was not insisted upon and that to avoid any misapprehension, the clause referred to was being removed from the Savings Bank Account Opening forms.

(62) Registration of Claims of holders of Russian Roubles.

The attention of the Committee was drawn to a communique dated the 14th June 1930 whereby it was announced that His Majesty's Government had decided that claims from holders of Russian Roubles should be recorded in India and that the claims should not be submitted to the Board of Trade in future. The Committee thereupon enquired of the Government of India whether there were possibilities of those claims being met in future. They also enquired of the Government whether there were any prospects of the repayment of Rouble loans. The matter is still under correspondence.

(63) Proposal to levy an export tax of four annas per bale of cotton exported from Bombay.

The attention of the Committee was drawn to the proposal made by the Bombay Municipal Corporation to the effect that in order to enable them to take over the City Improvement Trust, the Government of Bombay should furnish them with some further sources of revenue, one of the sources proposed for this being a levy of four annas per

bale of cotton exported from Bombay. In a communication addressed to the Government of Bombay, the Committee protested against this proposal and drew their attention to the represenation addressed by them to the Government in 1928 in connection with the diversion of trade from Bombay to other ports. They stated that in that representation they had exhaustively dealt with the question why the trade of Bombay was being diverted to other ports, and had arrived at a conclusion that the high cost of handling and the high municipal and Governmental taxation were the chief causes responsible for this diversion of trade. They had made a specific reference to the cotton trade of Bombay in that representation and had expressed their opinion that the town duty on cotton imported into Bombay coupled with the heavy cost of handling and the high taxation had greatly diverted the cotton trade from Bombay to Karachi and other ports. They pointed out that although nearly two years had passed away since that represention was made there was no improvement in the situation. The growing depression in the trade and industries had, on the contrary, worsened the situation. They also pointed out that the cotton trade was the principal trade of Bombay and any step which would tend to divert that trade from Bombay to other ports would greatly affect the trade situation in Bombay. In conclusion the Committee expressed a hope that the Government of Bombay would not accord their sanction to any proposal which would threaten the position of Bombay as an exporting centre.

(64) Increase in Surtax by the Bombay Port Trust.

The attention of the Committee was drawn to the increase in the surtax levied by the Bombay Port Trust from 33.1|3 per cent. to 50 per cent. The Committee referred the matter for opinion to the representativs of the Chamber on the Board of Trustees of the Bombay Port Trust. They stated that the increase in the surtax was, in their opinion, unavoidable as the Port Trust was faced with a heavy deficit, and that therefore, nothing could be done in the matter.

(65). Scale of Non-Agricultural Assessment in the Suburbs.

It was mentioned in the Report of the committee for the Year 1929 (Item No. 65) that they were in communication with the Government of Bombay re. the appointment of a Committee to examine the scale

of assessment in the suburbs. Government in reply pointed out that the scale was fixed in 1928 after prolonged and careful consideration and that in their opinion there was no justification for any revision. They therefore did not propose to appoint a Committee as suggested by the Chamber. The Committee requested their representative in the Bombay Council to take the matter up further in the Council.

(66). Proposal for the abolition of unified stamps.

The Government of Bombay, forwarded to the Committee for their opinion a copy of a letter from the Government of India on the above subject wherein it was proposed that the separate revenue stamps which were in use prior to 1st of October 1905 should be reintroduced, postal stamps being reserved entirely for postal and telegraph purposes. It was pointed out that this proposal was based on the necessity for having an accurate estimate of the receipts from the sale of stamps required for postal and telegraph purposes as the accounts of the Post and Telegraph departments were maintained on a commercial basis. It was stated that the proposed revenue stamps could be placed on sale not only in every Treasury, but, also in every Post Office and that steps would be taken to ensure that the public would have as little difficulty in obtaining Revenue stamps as in obtaining Postal stamps. In reply the Committee stated that they had no objection to this proposal of the Government of India.

(67). Amendment of Section 61 of the Indian Income-Tax Act: Qualifications of Income-tax Agents.

The Government of India invited the views of the Committee on the proposal to add a clause to section 61 of the Indian Income-tax Act providing for the prescription of certain qualifications to persons entitled to appear to represent assessees in connection with Income-tax proceedings. The Committee in consultation with the Income-tax Sub-Committee examined the draft of the proposed clause and made the following suggestions:

(1) That persons entitled to appear should be known as "Income-tax Consultants" and not as "Income-tax Agents" as proposed in the Draft.

(2) That applications for being registered as Income-tax Agents should be received direct by the Commissioner, and not through the Income-tax officer, as suggested by Government.

(3) That in the clause empowering the Commissioner to reject applications, the word 'misconduct' should be defined.

(4) That the Board of Enquiry to the appeals against the decision of the Commissioner should be composed of a President (a judge of a civil court) Registrar of the Joint Stock Companies, two members nominated by the Federation of Indian Chambers and the Associated Chamber of Commerce; and that the constitution of the said Board should be provided for in the Act itself.

(68). Procedure adopted for the recovery of income-tax: certain grievances re:

The Committee addressed a communication to the Commissioner of Income-tax in connection with certain grievances of the commercial community in connection with the procedure adopted for the recovery of Income-tax from them.

Re: Appeals. The Committee stated that they were informed that the appellate officers to whom the appeals for assessments were to be made, were in certain cases already pre-possessed as the Income-tax Officer consulted these very appellate officers before he finally made his assessment. This, the Committee pointed out, was undesirable and should not be allowed, and appeals should in such cases be referred to other authorities and not to the authority previously consulted by the Income-tax Officer.

Re: Examination of accounts. The Committee were informed that the practice at present followed by the Income-tax authorities in connection with the examination of accounts caused considerable hardship and inconvenience to the merchants. The cases received by the Chief Examiner of Accounts from the Income-Tax officers were distributed to his assistants only as and when these assistants had finished the work previously entrusted to them. No allotment was made as soon as the cases were received by him and this resulted in a great deal of unnecessary waiting on the part of an assessee who did not know when his case might be called out. It often

happened that after a full day's waiting he was asked to come on some other day. Then again the seating accommodation which was at present made for the subordinate examiners destroyed that privacy in the examination of accounts which was so very essential. The Committee suggested that instead of accommodating all the subordinate examiners in one hall, separate rooms should be provided for different examiners so as to ensure the maintenance of privacy.

(69). The Indian Income-tax Act: Question of allowing the reduction of bad debts from the income of an assessee.

The Committee drew the attention of the Government of India to the fact that there was no Rule laid down under the Indian Income-Tax Act for allowing bad debts of a firm to be written off or deducted from the income of the assessee in a particular year. They stated that at the interview, which they had with Mr. A. R. L. Tottenham, Member, Central Board of Revenue, on the 13th September 1927, it was pointed out to him that even the proof that a Company or an individual had gone into liquidation or become insolvent was not considered by the Income-Tax Authorities to afford sufficient justification for writing off as bad debts debts due by such Company or individual to the assessee. It was then agreed to by Mr. Tottenham that such proof should ordinarily be considered sufficient and he had promised to ascertain what the practice was and to issue necessary instructions. The Committee stated that the existing practice had been found to work to the great disadvantage of the assessee as more often than not the Income-tax officer was assumed to be the best judge as to whether the assessee should or should not write off the bad debts of his debtors. The Committee, therefore, requested the Government of India to give their due consideration to this matter and to amend the law so as to remove this hardship.

(70). Panel of Non-Officials in connection with the Formation of Board of Referees, to hear Appeals under Sec. 23 A. of the Indian Income-tax Act.

The Federation of Indian Chambers of Commerce and Industry invited the Committee to suggest five names of non-officials having business experience to form a panel for the Bombay Presidency in connection with the formation of Board of Referees to hear appeals

under Sec. 23 A. of the Indian Income-tax Act. The following names were recommended by the Committee.

Mr. Husseinbhoy Lalji.
Mr. B. N. Karanjia.
Mr. Jamshed N. R. Mehta.
Mr.Walchand Hirachand.
Prof. S. R. Davar.

Subsequently, however, the Federation of Indian Chambers of Commerce and Industry informed the Committee that Government had sanctioned a separate panel for Sind and therefore wanted the Committee to suggest another name in place of Mr. Jamshed N. R. Mehta. The Committee recommended the name of Prof. K. T. Shah.

The Committee were informed that the Federation had recommended the following names:

Mr. Walchand Hirachand.
Mr. Lalji Naranji.
Prof. K. T. Shah.
Mr. Shivprasad Joshi.
Mr. Mangaldas Motilal Sheth.

Thereafter the Government of India again intimated to the Committee that five non-officials for each major province would not suffice for this purpose and they, therefore, asked the Federation to nominate one more representative from each major province. On a reference on this subject from the Federation, the Committee recommended the name of Mr. Behram N. Karanjia (Vice-President) for the sixth place from Bombay Presidency.

(71). Income-Tax (Provident Fund) Rules.

The views of the Committee were invited by the Central Board of Revenue on the Rules proposed to be framed under the Provident Fund Relief Act, 1929. The Committee, made the following suggestions:—

(1) Rule 4 governing withdrawals by the employees from the provident fund, allowed such withdrawals, among other purposes, (1) for the purpose of expenses incurred in

connection with illness of a member of the subscriber's family", which term was defined to mean "employee's wife, children and step-children.

and (2) to pay for the passage over the sea of a subscriber or a member of his family. The Committee urged that family should be defined to include "parents, brothers and sisters" so as to be more in comformity with Indian conditions of family life and that with regard to (2) the facility should not be restricted to pay for passages "over the sea" but should be extended to journey, "over land."

The rule II provided for income-tax being levied on any consideration received by an employee against his assigning a beneficial interest in a recognised Provident Fund. As under this Rule the benefits of the Act were denied to persons taking advances from the staff Co-operative Societies against the security of the Provident Fund, the Committee urged the deletion of the same.

(72). Defects in the Provisions of the Income-tax. (Provident Fund) Relief) Act, 1929.

The attention of the Committee was drawn to an obvious anomaly in the provisions of this Act. Section 58E of the Act provided for "the annual accretion to the balance at the credit of an employee" being included to his total income for the year and income tax to be levied on the basis of this income, with the result that in some cases beneficiaries were obliged to pay tax on an income on which but for this annual accretion, they were not liable to tax: the Committee in drawing the attention of the Central Board of Revenue to the defect pointed out, that a beneficiary being made liable to pay tax on the basis of this accretion to his income, presupposed his enjoying such accretion, whereas it was probable that he might leave the service of his employer pre-maturely and would not then be enjoying the benefit of the accretion. The interpretation sought to be given to "annual assessable income" under this section had the effect of tax being levied on an imaginary income. The Committee suggested that the provisions of the Act be amended so as to remove this iniquity.

(73). The Tariff Act Amending Bill.

The Committee considered the Bill to amend the Indian Tariff Act. They had no objection to the amendments proposed in the Bill except in the case of clauses 17 and 18 which sought to delete item No. 131 in the Tariff Schedule and to add a new item 134, consequently provide for "all Bangles, etc., to be assessed at 30 per cent. ad valorem. The 15 per cent. duty on celluloid bangles was thus sought to be raised to 30 per cent. These bangles being largely used by the poor, the Committee objected to the increase in duty and therefore opposed the amendments proposed in clauses 17 and 18.

(74). Equalisation of the Excise and Import Duties on Kerosene.

The Committee of the Indian Chamber of Commerce, Calcutta, forwarded to the Chamber a copy of their representation to the Government on the subject of equalising the import and excise duties of kerosene. The Committee, after having considered the representation found that there was considerable force in the case made out by the Calcutta Chamber regarding the necessity for equalising the import and excise duties. They, therefore, endorsed the suggestion of the Calcutta Indian Chamber and urged the Government to be pleased to equalise the import and excise duties on kerosene.

(75). Indian Tariff Board—Appointment of a successor to Sir Pudumji Ginwalla.

The Committee were informed that Sir Pudumji Ginwalla, President of the Tariff Board was likely to retire from service shortly. They therefore wrote to Government of India urging upon them the desirability of appointing an Indian to succeed him as President. They expected Government not to reduce the strength of the Board below three and that its composition should always observe the principle of an Indian Chairman and an Indian majority.

(76). Refund of duty on re-imports of Precious stones, etc.

It was represented to the Committee that the duty on precious stones, etc., which were sent abroad from India for finding a market, was not being refunded, if these were reimported to India after one year or if they were not sent back, by the same consignee. It was urged

that the period for eligibility of refund of duty on such re-importation should be extended to 3 years. In reply to a communication on the subject, the Collector of Customs informed the Committee that as a matter of fact the time limit for such re-importation extended to three years on sufficient cause being shown and that the goods were not debarred for the concession of free entry if they were returned by a consignee other than the consignee to whom they were originally shipped.

(77). Tariff Valuations for hides and skins.

The Director General of Commercial Intelligence, and Statistics, Calcutta, forwarded for the opinion of the Committee a copy of the proposed tariff valuations of Hides and Skins. The Committee considered the proposed Tariff Valuations in consultation with the representatives of the parties interested in the line and informed the Government of India that the valuations as proposed to be fixed by the Government of India were very low. They stated that even in spite of the depression in the Hides market in London, it was not possible to secure hides and skins at the rates proposed to be laid down in the Tariff schedules. They also pointed out that the market for hides and skins was bound to improve in the near future and that this fact, therefore, should be taken into consideration while fixing up the tariff valuations for the next year. The Committee forwarded a statement showing the rates which in the opinion of the Committee should be incorporated in the Tariff schedules.

(78). The list of cotton piece-goods for the assessment of import duty under item 156 (a) in Schedule II attached to the Indian Tariff Act.

The Director General of Commercial Intelligence and Statistics, Calcutta, forwarded to the Committee a copy of the list of cotton piece-goods for the assessment of import duty under item 156 (a) in schedule II attached to the Indian Tariff Act, for their suggestions. The Committee stated that they had no suggestions to offer.

(79). Annual Revision of Tariff Valuations.

The Director General of Commercial Intelligence, and Statistics, Calcutta, forwarded to the Committee a copy of the provisional tariff

rates for 1931. The Committee invited suggestions of the parties interested in different lines and the Import and Export sub-committee of the Chamber discussed the various suggestions received from these parties with the Director General of Commercial Intelligence and Statistics at his interview with the Sub-Committee on Thursday, the 27th November 1930, when representatives of the various members who had sent in their suggestions were also present. Dr. Meek took notes of the various suggestions made and promised to consider them.

TRADE AND INDUSTRIAL LEGISLATION.

(80) All-India Accountancy Board: Bill to amend the Indian Companies Act. (Item No. 120 Chamber's Annual Report for 1928).

To give effect to the scheme of constituting an All-India Accountancy Board, the Government introduced in the last Assembly Session a Bill to make the necessary amendments in the Indian Companies Act. The Committee made the following suggestions;

Clause 2 (a) (ii).—The following proviso be substituted for the proviso therein;

> "provided that a firm whereof a partner or partners (instead of "the partners" as proposed in the Bill) holds or hold such certificate may be appointed by its firm name to be auditor of a company, etc."

This suggestion was intended to obviate any firm being excluded just because it happened to have among its many partners, one or two who were not qualified.

Clause 2 (2) (a) (c) vested in the Governor-General-in-Council the power to decide the composition of the first All-India Accountancy Board.

The Committee suggested an amendment to the clause so as to provide for an elected Board.

Clause 3 (1).—The Committee suggested amendments to this Clause to provide for present holders of certificates being ipso-facto granted certificate by the Governor-General-in-Council.

(81) Bill to repeal the Bombay Cotton Contracts Act, 1922.

The views of the Committee were invited on the Bill introduced by Mr. J. C. Swaminarayan, M. L. C., in the Bombay Legislative Coun-

cil to repeal the Bombay Cotton Contracts Act, 1922. The Committee opposed the Bill and expressed their opinion that a new Act on the expiry of the present Act in December 1930 should be enacted with such modifications as may be deemed necessary. They added that if the Act was repealed it would bring about a state of chaos in the cotton trade.

In this connection the Government of Bombay requested the Committee to send two representatives to a conference which was held on 3rd April at the Secretariat. Sir Chunilal V. Mehta and Mr. Lalji Naranji represented the Committee at the Conference.

The Government of Bombay informed the Committee that after consultation with the representatives of the Associations present at the Conference they had decided to extend the Act and until 31st August, 1931. Government have also appointed a Committee to make recommendations for the amendment in the Act.

(82) The Indian Religious Pictures, Trade Marks' (Prevention) Bill.

The Government of India invited the views of the Committee on the Bill introduced by Mr. B. Das, providing for legislation to penalise the use of pictures of Gods' and Goddesses' scenes from scriptures etc. as Trade Marks on any article imported into India. The Committee were in sympathy with the principle underlying the Bill but however, they were inclined to think that the provisions of the Bill as introduced were very extensive, and therefore, suggsted amending the Bill, limiting its application to pictures of Gods, Goddesses and Prophets, thus excluding from its operation the scenes from the Scriptures or mythology, etc. Subject to this amendment, the Committee were in general agreement with the provisions of the Bill.

(83) Trade Mark Legislation for India.

The Federation of Indian Chambers of Commerce and Industry invited the opinion of the Committee on the desirability of introducing legislation for the Registration of Trade Marks in India. The Committee in reply informed the Federation that they had all along emphasised the need for such a legislation and they therefore reiterated this view of theirs in favour of introducing legislation at an early date.

(84) Amendments to the Sea Customs Act, 1876.

The views of the Committee were invited on the amendments proposed in the Sea Customs Act. The Committee made some suggestions for amending the variou sections of the Act.

(85) Land Transfer System.

The Government of Bombay invited the views of the Committee on the Report of Mr. A. Kirke Smith on the working of the Land Transfer System in England and the feasibility of its adoption in Bombay. The Committee in consultation with the Law Sub-Committee indicated the changes that would have to be effected in the existing law before the system outlined in the report could be applied and they observed that due consideration should be given as to whether it would be desirable to effect the innovation.

(86) Indian Lac Cess Bill.

The Committee considered the Bill introduced in the last session of the Legislative Assembly to provide for the constitution of a statutory committee on the lines of the Central Cotton Committee to take over the control of the Lac Research Institute at Ranchi and to administer generally the Lac Cess funds. The Committee accepted the principle underlying the Bill.

(87) International Convention re: the Treatment of Foreigners.

At the suggestion of a member the Committee inquired of Government of India whether it was proposed to invite the views of the commercial community on the draft "International Convention on the Treatment of Foreigners" before they formulated their own views on the same for submission to the League of Nations. Government, in reply, informed the Committee that it was not possible for them to consult commercial opinion because of the shortness of time within which their observations had to be submitted to the League. The Committee thereupon requested Government to be pleased to furnish them with a copy of their communication to the League of Nations on the subject, as also spare copies of the relevant documents. In reply to the Committee's request to the Government of India the Committee were informed that Government were unable to comply with the request and that it was not possible for Government to supply copies of publications pertaining to the subject as the League of Nations Secretariat was unable to supply sufficient copies of its official documents for general distribution to commercial bodies in various countries. They however stated that copies of available documents had been sent to the Federation of Indian Chambers of Commerce and Industry. The Committee again wrote to the Government regretting that Government were unable to supply them

with a copy of their observations on the Convention and stressed the importance of supplying them with copies of necessary documents in order to enable them to express their opinion on the subject and to understand how the proposals of the Convention were going to affect the interests of this country. They urged upon Government the desirability of requesting the Secretariat of the League of Nations to supply them with sufficient copies of such official documents of the League. If, however, this was not possible for the League to do, the Committee requested Government to print copies of such documents for distribution among the various commercial bodies in India. They drew the attention of Government to the precedent in this connection of the reprint of the questionnaire regarding protection against accidents of workers engaged in loading and unloading ships, by Government in 1928.

In their reply to the Committee the Government of India stated that they had been informed by the Secretariat of the League of Nations that for many reasons—of which the budgetary reasons were not the least important—it was not possible for the League of Nations to carry out a large distribution of documents emanating from the Economic and Financial Section. They stated that they had in the past reprinted official documents of the League of Nations on certain occasions and distributed the copies thereof to commercial and other interested bodies. In the present case, however, owing to the voluminous nature of the documents relating to the work of the International Conference on the Treatment of Foreigners it had not been possible to reprint these documents.

Arising out of this a communication was addressed to the Federation of Indian Chambers of Commerce and Industry enquiring of them whether any expression of views of the Federation on this subject had been submitted to the Government of India, and whether any steps had been taken to inform the member-bodies in connection with the documents received by the Federation in connection with the above Convention and also whether the Government of India had asked for the views of the Federation in this matter.

In their reply to the Committee the Federation of Indian Chambers of Commerce and Industry intimated that the Government of India had not asked for their views on this matter, and that they had asked the Government of India to supply them with a copy of their views on this subject.

(88) International Regulation re: Sales Contracts.

The Indian National Committee of the International Chamber of Commerce invited the views of the Committee whether the principle that in international dealings the law of the Seller's country being applicable met with existing requirements or whether in their opinion the law of the buyer's country should apply. The Committee replied that the principle of the law of the seller's country being applicable met with practical requirements.

STORES PURCHASE.

(89) The New Stores Purchase Rules of the Government of India.

In offering their views on the New Stores Purchase Rules published by the Government of India in December 1929, the Committee reiterated their views expressed in 1924 that the special power vested in the Secretary of State for India under the Government of India Act to make rules for the purchase of imported stores should be done away with and that the Government of India should be invested with full authority to make their own arrangements in securing their requirements.

The new rules provided for a limited degree of preference in respect of price for goods of Indian manufacture. The Committee wanted it to be definitely laid down that preference would be given to Indian goods even if the lowest Indian quotation was 10 per cent. higher than the lowest foreign one. They also urged the abolition of the India Stores Department, London. Whatever organisation may be necessary for purposes of inspection in foreign countries should be directly under the Indian Stores Department. The Committee further wanted information as to why "printing and stationery" were excluded from the operation of the new rules.

They objected to the provision that Lethal weapons, etc., should be purchased only through the Secretary of State for India. This implication that the Government of India were not the supreme authority in the matter, the Committee observed, should be done away with.

They welcomed the reform in the matter of purchase in India by open tender for delivery in India and payment in India in Rupee for which the commercial community had for a long time past been agitating.

(90) Discontinuance of the publication of the "Classified List of Stores."

The Chief Controller of Stores of the Indian Stores Department informed the Committee that as the revised rules for the purchase of stores required for public service would come into force from the 1st January 1931, most of the requirements of the Government of India would be purchased on the rupee tender system, for delivery in India and payment in Indian currency, and so the demands now going to the India Stores Department, London, would be reduced to articles referred to in rules 7 and 8 of the Revised Stores Purchase Rules. He also informed the Committee that the demand for the "Classified List of Stores" had been diminishing gradually and that in these circumstances he proposed to discontinue the publication of the List. But before doing so, he invited the views of the Committee on this proposal. The Committee in reply, stated that in view of the circumstances mentioned by him, they had no objection to the discontinuance of the publication of the List.

GENERAL TRADE AND INDUSTRY.

(91) Salt Industry—Tariff Board Enquiry.

The Committee submitted a memorandum to the Tariff Board in connection with their enquiry re. Salt Industry.

They summarised the main demands of the Indian public in the matter as under:—

(1) That salt should be made available at far cheaper rates than at present.

(2) That imports from abroad should be replaced as early as possible by salt produced locally.

(3 That the consumer should get salt in adequate quantities all throughout the year without any unjustified increase in cost to him.

(4) That earth salt should be made available for manure purposes with minimum Railway freight.

(5) And that salt fit for consumption by cattle etc., should be available at a very cheap rate.

To meet these requirements, it was essential that the duty should be reduced, if not abolished, and in the Committee's opinion the duty should be only 4 as. per maund. They stressed that steps should be taken to do away with imports of salt and that consumers should not be left at the mercy of foreign speculators in salt rates for their supply of salt, at a reasonable price.

The Committee, thereafter addressed a telegram to the Government of India in connection with the recommendations made by the Tariff Board regarding Salt Industry, emphasising the need for prompt and immediate interim assistance to the Indian Salt Works, including those of Aden as recommended by the Board, as otherwise the Committee feared that the indigenous industry would be crushed out of existence by the pressure of foreign competition. The Committee regretted that Government should have taken such a long time in publishing the report on such an important subject. They drew the attention of Government to the intensive rate war and dumping carried on by the foreign syndicates, and pointed out that the situation thus created was much worse than was prevalent when the Tariff Board had the question under consideration. The Committee urged upon Government to take immediate measures to check large scale dumping of foreign salt and to take such action as would stabilise prices and put indigenous industry on economic standard level as recommended by the Tariff Board. In this connection attention of the Government of India was also drawn to the assurance given by the Hon. Sir George Schuster on 20th March 1930, and the Committee hoped that the assurance so given on the occasion would now be carried out.

In continuation of the above telegram, the Committee addressed a representation to the Government of India wherein they emphasised the necessity for making India self-sufficient in her supply of salt from Indian Works including those in Aden, by such measures as would enable the Indian Salt Industry to develop on the lines indicated by the Tariff Board. They urged upon Government to devise such measures as would achieve the same purpose of protection to Indian Industry as outlined in the scheme regarding the Government Controlling Agency proposed by the Tariff Board. They stated that if the Controlling measures gave preference to Indian salt and attempted to balance all requirements from non-Indian sources at

standard rates suggested by the Tariff Board, the Indian Industry would get the necessary support. In conclusion the Committee urged upon Government the necessity of putting a stop to the heavy dumping carried on by foreign manufacturers by carrying out the interim measures suggested by the Tariff Board. In a telegram which they subsequently addressed to the Government of India, the Committee expressed their regret that no action had yet been taken to relieve the Industry which was faced by a grave crisis. Pending any action which Government might contemplate taking in this connection, they suggested the levy of an additional duty of annas 4 on foreign salt.

(92) The Indian Match Industry.

At the instance of the Indian Match Manufacturers' Association, the Committee once again addressed a communication to the Government of India, wherein, they stated that the price cutting against which they had protested both in 1928 and 1929 was again being resorted to a much larger extent. They requested the Government of India to look again into this question and to take such steps as might be desirable to prevent indigenous Indian Match Companies from being swamped out by the operations of the Swedish Match Trust.

(93) The Steel Industry Protection Bill.

The Committee considered the Bill introduced in the last Assembly under which certain amendments were proposed in item Nos. 61, 62, and 150 of the second schedule to the Indian Tariff Act, by which the benefit of the Steel Industry Protection Act 1927 was sought to be extended to these items. The Committee were not opposed to the amendments, but in order to safeguard the interests of those who had already placed orders prior to the publication of the Bill, they recommended that the changes proposed in items 62 and 150 should be put into effect only after three months from the date on which the Bill was published.

(94) Grant of increased protection to the Indian Steel Industry by an increase in the duty leviable on galvanised iron & steel sheets.

By the Resolution No. 260-T (122) dated the 30th September 1930, the Government of India, in the Department of Commerce, referred to the Tariff Board for enquiry the question of an

increase in the duty leviable on galvanised iron and steel sheets not fabricated under item 148 in part 7 of the Import Tariff, on the ground that such sheets were being imported into British India at a price likely to render ineffective the protection intended to be accorded by such duty to similar articles in India. In forwarding their views on this matter to the Tariff Board, the Committee of the Chamber stated that galvanised iron and steel sheets made by the Tata Iron and Steel Co. required further protection and that a case had been made out for this. As, however, the total production by the Tatas of this commodity was only about 1/8 of the consumption in India, it was considered desirable that the whole of the protection should not be made a burden on the consumer by a 'pro tanto' increase of the duty. The Committee stated that the object of protecting the Tata Iron and Steel Co. would be better served by levying a small increase in duty and giving a part of the proceeds as a bounty to the Tatas, the amount of the bounty to be determined by the exact protection required, and the surplus after the bounty had been paid to go to the Government. The Committee suggested that such a duty should be levied up to Rs. 10 per ton.

(95) Tariff Board enquiry in connection with the contract of the Tata Iron and Steel Co., Ltd., with the Government of India in connection with the supply of rails.

The Committee addressed a communication to the Government of India in connection with the above enquiry wherein they stated that it appeared from the Resolution issued by the Government of India that the public would not be invited to tender evidence in this matter. They enquired of the Government whether such a procedure had been necessitated by the circumstances of this case and also whether such a procedure would be treated as a precedent or not. They stated that the public bodies should always have the right of appearing in evidence and sending their written evidence before the Tariff Board on all questions referred to them for their opinion. In conclusion they hoped that the fact that public bodies had not been invited to give evidence with regard to this particular enquiry would not be considered as a precedent and requested the Government to inform them as to the reasons for not adopting the usual procedure in this case.

(96) Tariff Board Enquiry re: Gold & Silver Thread Industry.

The Committee submitted to the Tariff Board a written statement of their views on the subject on the following lines. The Industry almost fulfilled the conditions laid down by the Fiscal Commission in para 97 of their Report. It was more or less a home industry. The recent imposition of import duty on silver had reduced the benefit it enjoyed by the existing import duty on gold and silver thread. The Committee suggested that the present duty of 38 per cent. on the imported articles should be increased to 50 per cent. as the Industry should continue to have that encouragement which it had when there was no duty on silver and under which it had progressed. A uniform duty should be levied on real, imitation and half-fine Gold and Silver thread as suggested by the Collector of Customs, Bombay. A Central Institute should be started at Surat and Benares, the two important centres of the Industry, where demonstrations beneficial to the industry might be given. If this was not possible, morning and night classes might be opened at Government schools in those centres and an inducement be given to those engaged in the Industry by way of scholarship, etc.

Mr. Behram N. Karanjia, Vice-President of the Chamber, and Mr. L. R. Tairsee gave oral evidence before the Tariff Board in the Industyr by way of scholarships, etc.

(97) The Report of the Indian Hides Cess Enquiry Committee.

In forwarding their views on the recommendations made by the Hides Cess Enquiry Committee in their report, the Committee made the following suggestions:—

(1) The existing export duty of 5 per cent. on export of raw hides and skins is insufficient to give the required amount of protection to the Indian Tanning Industry. The duty should be increased to 10 per cent.

(2) The imposition of a cess of one per cent. would be insufficient. The cess should be fixed at at least two per cent.

(3) At least 50 per cent. of the funds of the proposed Cess should be devoted to the improvement of tanning industry.

(4) The representatives of Tanners on the Cess Committee should at least be equal in number with the representatives of other bodies proposed to be represented.

(5) The right of nominating a representative of Bombay Tanners should be given to the Bombay Tanners Association.

(6) Arrangements should be made to assist the Bombay Tanning Industry by making available technical assistance through model tanneries or Government experts.

(98) Development of oil seeds crushing Industry in the Bombay Presidency.

The Director of Industries, Bombay informed the Committee that the Imperial Council of Agricultural Research, Simla, had decided to appoint a Committee consisting of officials, business men and other non-officials interested in the Indian Oil seeds Crushing Industry to consider the steps to be taken to encourage and develop this Industry and requested the Committee to suggest names of people interested in the Oil Industry and Oil seeds trade. The Committee thereupon suggested the following names:—

(1) Mr. Jal A. D. Naoroji.

(2) Mr. B. N. Gamadia.

(3) Mr. Jal Davar.

(99) Memorandum on the production and utilisation of Indian (Sunn or Sann) hemp, prepared by the Imperial Institute for the Empire Marketing Board.

The Imperial Council of Agricultural Research, Government of India, forwarded to the Committee a copy of the Memorandum prepared by the Imperial Institute for the Empire Marketing Board on the subject of Indian (Sunn or Sann) hemp, its production and utilisation for their opinion, drawing their attention to the advisability of carrying out the selection, cleaning and baling of hemp for export on the lines of cotton baling. In forwarding their views on the Memorandum the Committee stated that the selection, cleaning and bailing of hemp for export purposes on the lines of cotton was not practicable as the very small quantities of hemp available for export at different centres would not justify the establishments of presses. They drew the attention of the Imperial Council of Agricultural Research to the absence of samples of standard grades of Indian hemp, which, in their opinion, constituted one of the main difficulties which the shippers of Indian hemp had to experience.

Bales drawn from a particular shipment for arbitration purposes were, the Committee stated, not compared with any particular sample and the examination was made on the arbitrators' recollection of what the grade should be. As this procedure was unfair to the shippers of Indian hemp, the Committee suggested that a sample bale of each grade should be kept in London and Bombay. They also suggested that the arbitration might be carried out by the Indian Chamber of Commerce in Great Britain if the parties so desired. In conclusion they expressed their opinion that the Association in London should be prepared to consider a revision of the present contract as it was, in their opinion unfair to Indian shippers.

(100) Propagation of Swadeshi.

The Chamber received various suggestions in this connection from the members and the above question was referred to a special Sub-Committee for their consideration. In their report, the special Sub-Committee of the Chamber made various suggestions, the principal of which was that a permanent Commercial Museum should be organised under the auspices of the Chamber, where samples of the products of India could be exhibited for the guidance of buyers. The Sub-Committee were of opinion that if such a Museum was started by the Chamber, it would be easily made self-supporting. Every exhibitor who exhibited his stuff could be charged for the space utilised by him and the Chamber could also charge a certain percentage of Commission on the orders which might be placed through them with regard to different articles. The Sub-Committee estimated the running expenses for the Museum at about Rs. 600 per mensem and the initial expenses for fitting up the Museum at about Rs. 25,000. The Sub-Committee expressed their opinion that such a scheme would be a great service to the cause of the Swadeshi movement in a practical form.

The Committee adopted the scheme and it was resolved to issue an appeal to the members of the Chamber requesting them to contribute to the Commercial Museum Fund..

(101) Questions from Mr. N. M. Bhuta in connection with the activities of the Chamber in the cause of Swadeshi.

Mr. N. M. Bhuta, a member of the Chamber, forwarded to the Committee certain questions in connection with the activities of

the Chamber in the cause of Swadeshi. In their replies the Committeee pointed out that the Chamber had since its establishment devoted a good deal of its work to the cause of Swadeshi. They referred to the part played by the Chamber in protecting the interests of the Indian trade and industries. They referred to the new Stores Purchase Rules of the Government of India which had been revised and modified mainly through the efforts of the Chamber and wherein the Government had accepted the principle of inviting all tenders for the requirements in India and in Rupees. They also pointed out that the Chamber received Statistics aad Statistical Literature from the Governments both Imperial and Provincial, as also from other sources and these records could be utilised by any one who desired to have any information regarding trade and industries. They also referred to the report of the Sub-Committee re: propagation of Swadeshi which was adopted by the Committee. As regards the publication of the Directory the Committee expressed their opinion that the work of publishing an up-to-date directory had already been taken up by 2 or 3 organisations and it was not therefore thought necessary to add one more attempt to those which were being already made. They would, however, be glad to take up the work if a sum of Rs. 15,000 to Rs. 20,000 were allotted to them for it. In conclusion they stated that the Chamber had got records of useful information re: Swadeshi trade and industries and they were available to anyone desirous of getting information in this matter.

(102) Imports of wheat from Australia.

In a communication to the Government of India the Committee drew the attention of the Government to the situation which had arisen in connection with the increasing imports of wheat from Australia and the necessity for taking effective measures to safeguard the interests of Indian agriculturists in this behalf. The imports of Australian wheat into India were, they stated, due to several causes, the principal of them being the 1sh. 6d. exchange. They stated that the increase in the imports of wheat in the preceding year was due to famine conditions in the wheat producing provinces like the Punjab and the United Provinces and that with the abundance of wheat crop this year, prices of Indian wheat had fallen considerably. This would lead to considerable reduction in the imports of

Australian wheat, but they were of opinion, that these imports at a juncture when the wheat prices were so very low down in the country were strongly to be deprecated, because of the injury they caused or likely to cause to Indian agriculturists. While they were not desirous of suggesting the extreme measures of prohibiting all imports of Australian wheat they suggested the imposition of a countervailing duty on imports of Australian wheat which would enable wheat prices to be sustained on a level at which the Indian cultivator would get a fair return. In conclusion the Committee stressed the necessity for taking immediate and effective measures to meet with the situation.

(103) The fall in prices of agricultural commodities.

The Committee addressed the following telegram to the Government of India in connection with the situation which had arisen due to the abnormally low prices of agricultural commodities:—

"Committee Indian Merchants' Chamber beg to bring to the notice of the Government of India the very acute situation which has arisen due to abnormally low prices of agricultural commodities. This has created a situation in the country of which Government are no doubt cognisant. Committee will be much obliged if Government will be pleased to let them know what they propose doing to afford adequate relief to the agriculturists and whether any communications have been sent by them to Provincial Governments with a view to affording such a relief." It may be noted here that subsequently the Government of India issued a communique on the 17th November whereby they made the following reductions in the freight on wheat:—

On the North Western Railway in place of the present C|K schedule the C|R schedule will apply to the traffic booked to Karachi in full waggon loads for distance over that railway of not less than 600 miles.

On the East Indian Railway: E. I. R. in place of the existing C|B, schedule the C|M schedule will apply to traffic booked to Karachi in full waggon loads, except traffic originating at stations on the B. B. and C. I. Railway, the B. N. Railway and the Rohilkand & Kumaon Railway. As an illustration of the effect of this reduction the freight per maund from Lyallpur to Karachi will be

Rs. 0-6-10 instead of Rs. 0-11-8 at present charged. This reduction is to remain in force until the 28th February 1931.

(104) Representation of the Federation of Indian Chambers of Commerce & Industry in Germany: A Note prepared by Mr. J. K. Mehta.

The Federation of Indian Chambers of Commerce & Industry forwarded to the Committee a copy of the note prepared by Mr. J. K. Mehta on the subject of the representation of Federation of Indian Chambers of Commerce & Industry in Germany. It was pointed out in the note that there was a great necessity for having some representation in Germany, as Germany was vitality interested in trade with India. In their reply the Committee approved of the note by Mr. J. K. Mehta and expressed their opinion that the Federation should take up the scheme and make a beginning by having a trade representative in Berlin and that if the scheme proved successful it might be extended to other important countries like Italy, France and U. S. A.

(105) Importation of "White Oil" and Its Adulteration with other Edible Oils.

The Government of Bombay invited the opinion of the Committee as to whether large quantities of imported "White Oil" were being used as an adulterant of edible oils and if so, whether the Chamber would recommend any steps to restrict the import of this article. The Committee informed Government that the malpractice referred to was a fact and that of late it had assumed such proportions as to be a real menace to the genuine oil trade. They also drew the attention of the Government to the deleterious effect on the health of the consuming public by such adulteration. Subsequently the Government of Bombay forwarded a copy of the letter which the Government of India had addressed to the Indian Chamber of Commerce, Calcutta. In this letter the Government of India stated that the replies received from Local Governments showed that the use of "White Oil" for adulteration with edible oils was not at all wide-spread, and that most of the Local Governments and Administrations were not in favour of the adoption of the Chamber's suggestions. The Government of India expressed their opinion that the practice to which the Chamber had drawn their attention could be dealt with more appro-

priately by pure food legislation. They had, therefore, decided to leave it to the Local Governments to take such steps as they considered necessary in the matter by local legislation for the prevention of the adulteration of foods.

In forwarding their opinion on this subject, the Committee thanked the Government of Bombay, for the support they had given to their proposal by stating that "the evil appeared to have reached dimensions which rendered it desirable to consider further regulative measures." They expressed their regret, however, that the Government of India had not endorsed the recommendation themselves, but had left it to Local Governments to take steps as they considered necessary in the matter. The Committee stated that in view of this endorsement from the Government of India, they would request the Government of Bombay to take immediate action with regard to this question.

(106) The Revival of the Publication of the "Economic Products of India."

At the suggestion of a member, the Committee addressed the Director General of Commercial Intelligence requesting him to take steps to revive the publication of the "Economic Products of India." In doing so the Committee observed that there was a great paucity of literature giving information about products of the country which were of present and prospective industrial or commercial importance, and if the above publication were revived, it would be a great help in this direction.

Thereafter the Committee were informed by the Government of India that they had taken up the question of the republication of the "Dictionary and Economic Products of India" and the "Commercial Products of India" and enquired of the views Committee in connection with the advisability of and the method to be adopted in connection with the republication of these publications. The matter is under consideration of the Committee.

(107) Inflation of the rate for oil by the oil pool.

The attention of the Committee was drawn to the arbitrary rates for oil charged by the Anglo-Persian Oil Co., to their constituents. Instances were supplied to the Committee showing a heavy

unfair disparity in the rates quoted as between two companies. As such arbitrary rates were made possible, because of the oil combine, the Committee wroet to the Government urging upon them the desirability of taking steps to ensure the consumers interests being protected against such unfair arbitrary rates of the company and against the invidious distinctions as between companies in the matter of rates.

In their reply the Government expressed their inability, to interfere in the matter as it was an ordinary business transaction.

(108) Fuller support to Indian Insurance Companies.

The Indian Insurance Companies Association wrote to the Committee acknowledging the splendid support given by the Indian Commercial Community to Indian Insurance Companies in response to their appeal some years ago and requesting them to recommend to the members of the Chamber for a fuller support to Indian Insurance Companies in view of the prevalent feeling for Swadeshism at present. The Committee accordingly requested the members of the Chamber to place all their insurance business with Indian concerns only as they were now well-established in the country and were run on sound lines.

(109) Imports of Vegetable Ghee.

The Indian Chamber of Commerce in Great Britain informed the Committee that their Council had received an invitation from the Margarine Union, Holland, to visit their Vegetable Ghee Factory so that they may have a first-hand idea of the process of manufacture and of the materials used. Before, however, accepting the invitation, the Indian Chamber in London invited the views of the Committee whether such a visit would, in any way prejudice the interests of the Indian Vegetable Ghee industry. As the Committee felt that any such visit and the consequent expression of opinion is likely to have some propagandistic effect, and as in the interests of the indigenous industry, imports of vegetable ghee should be discouraged, they were inclined to think that it would not be advisable for the Council of the Indian Chamber of Commerce in London to visit the factory officially, and informed the Chamber accordingly. The Committee were informed subsequently that the Council of the Indian Chamber had dropped the idea of paying a visit to the Factory.

(110) Interview with Messrs. Amritlal Ojha, & J. K. Mehta, Indian Employers' Delegate & Advisor, respectively, to the 14th Session of the International Labour Conference.

The Committee had an interview with Mr. Amritlal Ojha and Mr. J. K. Mehta, Indian Employers' Delegate and Advisor, respectively, to the 14th Session of the International Labour Conference, on the 20th September 1930. Mr. Ojha gave the Committee his impressions of the working of the International Labour Conference and also the work done by the Indian Employers' Delegation at the 14th Session of the Labour Conference. He laid emphasis on the necessity for permanent non-official representation of the Indian Employers in Geneva to watch over the interests of Indian trade and industries as affected by the international developments.

(111) 13th International Labour Conference—Sir Geoffrey Corbett's Statement.

In the Annual Report for the year 1929 (Item No. 119) it was mentioned that the Committee were in communication with the Government of India enquiring of them as to what justification their Delegate at the 13th International Labour Conference had for making the statement that Government had been carrying on negotiations with the Indian and European Chambers of Commerce for the last many years for the purpose of securing a common agreement in selecting the Employers' Delegates to the sessions of the Conference. The Government in justification of the statement, referred to the sporadic informal talks that the Hon'ble Member in charge of the Department of Industries and Labour had with European and Indian representatives of commerce, and to the abortive attempt made, at the instance of Government, by the late Mr. Rahimtoola Currimbhoy and the Millowners' Association to constitute a Federation of Indian Employers by means of which a common representative for the whole of India to the Sessions of the Conference could be elected. The Committee in reply pointed out that such stray conversations between members of Government and representatives of Commerce and an unsuccessful attempt to constitute a machinery for the purpose of making such nominations, could not by any stretch of imagination be called "negotiations" for the last ten years with Indian and European Chambers of Commerce. They therefore requested the Government to issue, in fairness to Indian Chambers, a statement correcting the misunderstanding being caused in the

matter and making it clear that no such negotiations were carried on with the Indian Chambers of Commerce. The Government in reply informed the Committee that they had nothing to add to their previous observations in the matter.

Arising out of this it was decided to suggest to the Federation of Indian Chambers of Commerce and Industry for consideration the advisability of laying down that in such matters no action should be taken by the President or the Secretary unless the Committee of the Federation had expressed the views and also to suggest that the Federation should reiterate the opinion that only Indian Nationals should be chosen an Delegates and Advisors to represent India at the International Labour Conferences. In their reply the Federation of Indian Chambers of Commerce and Industry informed the Committee that the Committee of the Federation had always followed the practice suggested by the Committee of the Chamber and that it had also been the practice with the Federation to nominate only Indian nationals as Employers' representatives at the International Conferences.

(112) Resolutions to be moved at the next Annual General Meeting of the Federation of Indian Chambers of Commerce & Industry.

The Committee in consultation with the Finance Sub-Committee forwarded draft resolutions on the following subjects for being discussed at the forthcoming Annual General Meeting of the Federation of Indian Chambers of Commerce and Industry:

(1) Exchange.
(2) Industries.
(3) Insurance Legislation.
(4) Agriculture.
(5) Correct and Uniform Weights and Measures.

(113) Restrictions on the import of un-roasted coffee-beans into India.

The Government of Bombay forwarded to the Committee a copy of the letter from the Government of India wherein it was proposed to extend the existing restrictions on the imports of coffee-beans other than roasted and ground at all ports in British India for preventing the introduction of the coffee pest into India. After con-

sulting with the interests concerned the Committee informed the Government of Bombay that they agreed to the proposal of the Government of India that importation of coffee-beans other than roasted and ground should be entirely prohibited.

(114) "Boycott of British Goods."

The attention of the Committee was drawn to a leaflet entitled "the Boycott of British Goods" printed at the Government Central Press, Bombay, and widely distributed to the public through the agency of the Police. The pamphlet contained misleading statements damaging to the credit of indigenous Banking, Insurance, etc. The Committee, in a letter addressed to the Government of Bombay expressed their surprise that Government should have identified themselves with a campaign of vilification against Indian industries and enterprise and should have entered into the arena of publicity on behalf of foreign vested interests such as Shipping, Banking and Insurance. The Committee asked Government for information as to under whose authority the pamphlet was printed, the number of copies published, the amount spent both in compilation, printing and distribution and as to how many copies of the pamphlet were distributed. The Committee regretted that the Police agency should have been utilised for the distribution of such a mischievous pamphlet, especially at a time when the relations between the police and the public were so much strained.

(115) Aspersion cast on the business integrity of Indian Merchants by Mr. T. M. Ainscough, His Majesty's Trade Commissioner in India and Ceylon.

The attention of the Committee was drawn to certain objectionable remarks made by Mr. T. M. Ainscough, His Majesty's Trade Commissioner in India and Ceylon, in the course of a paper, he read before the Royal Society of Arts, London, wherein he had cast some unwarranted aspersions on the business integrity of Indian Merchants. The Committee were also informed that Mr. H. A. F. Lindsay, Indian Trade Commissioner in London who was present at the time, did not protest against the same. The Committee addressed the Government of India expressing their surprise that Mr. Lindsay who was in London to advance the cause of Indian trade should have

allowed this statement to remain unchallenged. The Committee requested Government to make enquiris regarding the incident.

(116) Lloyd Barrage and Canals Construction Advisory Committee.

"Mr. Lalji Naranji, the representative of the Chamber in the Bombay Legislative Council was invited by Government to be a member of the Lloyd Barrage and Canals Construction Advisory Committee. Mr. Lalji Naranji, not being satisfied with the scope and functions of the Advisory Committee, asked the advice of the Committee whether he should accept the seat under the circumstances. The Committee wrote to Government urging that the functions of the proposed Advisory Committee should be so enlarged as to vest in the Committee powers of control over policy and expenditure. They suggested that the Committee should be constituted on the lines of the semi-Government bodies as Port Trusts.

Government in their reply pointed out that it was not possible to accept the suggestions to vest in the Committee such extensive powers as control over policy and expenditure. Government were however, prepared to enlarge the scope of the Committee and vest it with the widest possible powers consistent with its Advisory character. They were prepared to invest the Committee with the same powers as those of the Finance Committee of the Legislative Council.

In view of the enlarged scope, Mr. Lalji Naranji was advised to accept a seat on the Advisory Committee.

(117) Leases of large estates on the Sukkur Barrage project:

The attention of the Committee was drawn to a Press-note issued by the Director of Information, Bombay, in respect of leases of large areas of lands from 2,000 to 20,000 acres on the above project, at concession rates to individuals and syndicates who were prepared to undertake in return certain services to Government. The Committee thereupon addressed the Government of Bombay drawing their attention to the statement made in the Bombay Legislative Council by the Hon'ble Sir Chimanlal Setalvad on 9th June 1923 on behalf of Government assuring the House that there was no intention on the part of Government to grant leases of large areas of lands on the project to any foreign syndicate and that if the question of allowing any syndicate or company to purchase land from the new Canal areas arose Government would favour the condition

that the syndicate or company should be largely Indian in capital and control and further, the Council would be given an opportunity to discuss the question before it was decided. The Committee hoped that that assurance still held good and urged that such licenses should be granted to Indians only. They also suggested that the areas of land should not be as large as mentioned in the Press-note but should be smaller so that Indians with small means might be able to take benefit of such leases. In their reply to the Committee the Government of Bombay stated that the policy governing leases in the Lloyd Barrage Area would be embodied in a model lease farm which would be framed in consultation with the Lloyd Barrage Advisory Committee after some applications for leases had been received. They also stated that the Government had not departed from the views expressed by the Hon'ble the General Member in the Bombay Legislative Council on 9th June 1923 and that the Press Note of the 12th July 1930 was in connection with the leases of certain lands at concessionary rates in return for certain services to be rendered to Government and that it did not refer to the leases of small plots of land mentioned in Press Note No. P. 69 dated the 7th March 1929.

This matter is still under consideration of the Committee of the Chamber.

(118) Suggestions of Mr. Walchand Hirachand re: betterment of the Conditions of the Agriculturists.

(Vide Annual Report of the Chamber for 1929 p. 637).

In continuation of their letter of the 15th February 1929 and in connection with the Committee's communication of the 10th September 1929, the Government of Bombay replied as under:

Suggestion No. 1. It was the duty of the Local Board to provide such purely local communications and to meet the expense involved.

Suggestion No. 2. Orders of Government in this matter have been issued and the concession of throwing open the use of the canal telegraph offices in Sind and Deccan to the cultivators had been extended to the general public without any restriction as to the matter communicated.

Suggestion Nos. 3, 4, 6, & 7: Government do not see any reason to depart from the views already expressed by them in their

letter of the 15th February 1929. (Vide Annual Report for 1929).

Suggestion No. 5. Each application for an outlet on the up-stream will be considered on its own merits.

Suggestions Nos. 9-and 10. As already stated in the previous letter, it is not feasible to hand over the Government Arts Colleges at Ahmedabad and Dharwar to Education Societies. The Government are of opinion that there is no need for a second Agricultural College on the lines of the Poona Agricultural College.

The principle underlying the suggestion No. 10 has already been adopted in practice in many parts of the Presidency but the payment is not ordinarily made in the form of rebates of Government dues. Usually the payment is made in kind.

(119) Hours of Work at the Custom House.

In consequence of the change effected by the Banks, in the working hours, the Collector of Customs informed the Committee that the hours of work at the Custom House had been changed from 10-30 a.m. to 5 p.m. on week days and invited the opinion of the Committee on the consequential change proposed in working hours in the various departments of the Customs House. In view of the fact that the changes proposed were only experimental. the Committee said they had no objection to the same.

(120) Kumpta-Dharwar variety of Cotton.

The Director of Agriculture, Poona, invited the views of the Committee on the proposal to show separately in the Provincial forecasts the varieties of cotton of the three protected areas of the southern division of the Bombay Presidency as—

(1) Kumpta-Dharwar.

(2) Bijapur and (3) Bagalkot as against the present classification of "Kumpta-Dharwar."

The Committee replied that they had no objection to the proposal.

(121) Revival of Inland trade statistics of British India.

The opinion of the Committee was invited on the proposal to revive in a modified form the collection and publication of statistics of inland trade which was discontinued in 1923. The Committee welcomed the proposal.

(122) Inclusion of Cotton Blankets under plain grey goods.

The Committee sent a telegram to the Government of India (Central Board of Revenue) recommending the inclusion of Cotton blankets under plain grey goods, thus extending to the same the protection afforded by the differential duty under the Cotton Textile Industry (Protection) Act, 1930.

(123) Classification of Woolen Hosiery in the Sea-bourne Trade Returns.

The Committee received a suggestion from a member, that they should move the Director General of Commercial Intelligence and Statistics to classify imports of woolen hosiery under three heads, (1) Stockings and socks, (2) underwear, and (3) other sorts, in the Sea bourne trade returns as was being done in the case of cotton hosiery. This additional information would, it was represented to the Committee, be of considerable help to the manufacturers of woolen hosiery in the country, in that it would enable them to know the extent of imports under each head, with a view to adjusting local production to the demand as indicated by the imports. The Committee were convinced that there was considerable force in the suggestion, and wrote to the Director General endorsing the same.

(124) Revision of the list of articles specified in the Sea-Bourne trade returns of British India.

The Director General of Commercial Intelligence & Statistics invited the suggestions of the Committee in connection with the revision of the list of articles specified in the sea-bourne trade returns of British India. In reply the Committee stated that they had no additions to suggest in the list of articles specified in these returns.

(125) Classification of cotton twist and yarn and cotton piece-goods in the monthly sea-bourne trade returns of British India.

The Collector of Customs, Bombay, and the Director General of Commercial Intelligencec & Statistics, Calcutta, forwarded to the Committee, a copy of the detailed suggestions of the Bombay Mill Owners Association in connection with the revision of the classification of cotton twist and yarn and cotton piece-goods in the monthly sea-bourne trade returns of British India. The Committee stated in reply that they approved of the suggestions made by the Bombay

Mill Owners Association, which they thought, were an improvement on the existing classifications.

GENERAL.

(126) The Situation in the Bardoli and Borsad Talukas and the Land Revenue Collections in Gujarat.

The attention of the Committee was drawn to the situation prevailing in some of the districts of Gujarat and to the methods which the Government had adopted in these Talukas for the recovery of Land Revenue. They thereupon sent two representatives Mr. L. R. Tairsee an ex-president of the Chamber and Mr. J. K. Mehta, Secretary of the Chamber to see the situation personally and to submit their report to them.

On receipt of their Report, the Committee addressed a communication to the Government of Bombay drawing their attention to the situation in Bardoli and Borsad Talukas and forwarding a copy of the Report to them. They stated that it would be seen from this report that agriculturists from several villages in both the Talukas and also in some other talukas of the Kaira district had left their farms and their homesteads and had migrated to the adjoining Indian State territory. The next assessment was in ordinary course, due to be paid from January to March 1931, but the agriculturists were being pressed to make the payment from now or at least to give an undertaking to that effect. Measures of repression and force were adopted both for the recovery of the past revenues as well as the collection of the new revenue. The Committee stated that on account of the abnormally low prices of agricultural commodities this year the agriculturists in these Talukas, in common with the agriculturists all over India had their earnings reduced by nearly 50 per cent. It was therefore a case which called for sympathetic consideration by Government with a view to remission wholly or partially of the land revenue dues. They pointed out that instead of this being done agriculturists were pressed even before the usual date, by taking unwarranted steps to pay up the new dues or to give an undertaking to that effect.

The Committee made it clear that while they neither endorsed nor approved of the policy of non-payment of taxes for political purposes, they could not tolerate the unjustifiably repressive policy

which could be styled as Zulum pursued for the recovery of the land revenue dues. They had not and could not have any objection to the adoption of any steps which may be enjoined under the Land Revenue Code for the recovery of dues by Government. The methods of repression and force like beating, abuse and general ill-treatment to which the Revenue and other authorities had resorted with a view to terrorising the agriculturists into paying up their past or future dues had resulted in the migration of the agriculturists to adjoining territories and their condition was one full of misery and distress. They requested the Government to avoid such measures as had already embittered the agriculturists and made them resort to the extreme step of emigration to adjoining territories. They also urged that no steps would be taken to recover the land revenue for 1931 before the customary date, viz., January next.

In conclusion the Committee pointed out that if the policy of repression and force was to continue, it would tend to alienate even those who had no sympathy at present with the movement for non-payment of taxes.

In their reply to the Committee the Government of Bombay stated that it was not the case that the procedure prescribed by the Land Revenue Code had been departed from in dealing with the section of the population of Gujarat which had refused to pay their Land Revenue Dues and that even the powers under the Land Revenue Code had not yet been fully exercised. With regard to the migration they pointed out that only a small fraction of the population of Gujarat had migrated and that this belonged almost entirely to one community, viz: the Patidars and also that those who had not migrated from their villages had not suffered any discomfort and had not complained of any oppression by the authorities.

This migration was, in their opinion, not due to police repression. They expressed their opinion that the whole problem arose from the refusal of the agriculturists to pay land revenue in any circumstances and that it was primarily in order to frustrate recovery that they had removed themselves out of the jurisdiction of the British authorities. As regards the general allegation of beating, abuse and general ill-treatment, the Government stated that such of the com-

plaints of the migrants as had any foundation appeared to be based on minor incidents which in their opinion were grossly exaggerated and that the complaints were not made to the officials, but were circulated—not with a view to redress, but for purposes of propaganda. As regards the alleged hardships of the migrants the Government stated that these could better be described as inconveniences. They also pointed out that the date of the first land revenue instalment had not been advanced at all in the Bardoli Taluka. It had been advanced in the Kaira district by two or three months as regards dues for the current year chiefly in order to combat the declared intention in a large number of villages not to pay the land revenue in any circumstances and that the authority for this action taken was contained in section 139 of the Land Revenue Code read with Rule 116 (2) of the Land Revenue Rules. As regards the suggestion of the Committee for the remission of Land Revenue the Government of Bombay pointed out that no discrimination could be made in favour of any sections of the population merely because they obstructed the collection of the land revenue, and that the remission wholly of land revenue dues throughout the Presidency was a proposition which could not be seriously intended. They stated that sufficient evidence to the effect that the current assessments did not leave adequate margin to meet the present drop in prices had not been put forward by the Committee of the Chamber. They drew the attention of the Committee to the fact that Government were watchful of the economic position and they referred in this connection to their action in March 1930 when they suspended the whole land revenue demand, including arrears of every kind in the talukas of Matar and Mehmedabad of the Kaira district in addition to suspensions and re-suspensions in most of the talukas in Gujarat whenever the state of the crops jujstified these concessions.

In their reply to the letter from the Government of Bombay, the Committee stated that they were surprised at the statement made in their letter that "as regards the allegation of ill-treatment Government are satisfied that it is untrue." They stated that they had tried their best to view the situation as dispassionately as possible, and to place the case of these agriculturists before Government in a

considered and sober light with a view that the agricultural situation in Borsad and Bardoli talukas got on to some improvement. They were constrained to say that the "non-possumus" attitude which the Government had adopted with regard to these allegations of repression and force was not calculated to tide over the situation which was fraught with a grave peril not only to the agriculturists of these two talukas, but also to the peaceful population staying there, and was calculated to have its repercussions, not of a desirable character, on the country in general which it would be best thing to avoid during the present anxious times. With reference to the statement in the letter from the Government of Bombay that "in short there appears to be no real desire to have the complaints sifted and dealt with" the Committee pointed out that the whole character of the present struggle was non-co-operation and that they felt that the duty and responsibility of a Government for the due observance of law and order by its own officials did not cease merely because certain section of the people had chosen not to co-operate with them. They stated that what they wanted to emphasise was that there was a sacred duty on the Government of Bombay to see that no repression and force were used towards the agriculturists, even though the latter might have refused to pay the land revenue, and also to see that a proper Enquiry was made into all these allegations. The Committee stated that in view of the entire refusal of the Government to believe any reports which had been published in responsible section of the Indian Press or were issued by responsible people they had no other alternative but to urge the appointment by Government of a responsible Committee with a majority of non-officials commanding the confidence of the public to enquire into all the affairs which were going on in the Bardoli and Borsad Talukas and into the allegations that the Land Revenue Code was violated in dealing with defaulting agriculturists.

In connection with the migration, the Committee stated that they had made it very clear in their letter that agriculturists in Borsad and Bardoli talukas alone had evacuated, and that it was, therefore, not perhaps necessary for the Government to emphasise that "only a small fraction of the population of Gujarat has migrated, and this belongs almost entirely to one community, viz., the Patidars." They

pointed out that the Patidars were the prominent agricultural community in the Borsad Taluka and that Anavils and Patidars formed an important section of the agricultural community in the Bardoli Taluka. If these sections of the agricultural population had chosen to evacuate their farms and homesteads, it was not unfair to conclude that the agriculturists of both these talukas as a whole were affected by the movement. The Committee saw no reason to change their original view that had it not been for repression and force, the evacuation would not have taken place to the extent to which it had.

In connection with the remission of land revenue, the Committee pointed out that they had not asked for any discrimination in favour of any section of the population "merely because they obstruct the collection of the revenue." They pointed out that even though the assessments might have remained unchanged since 1895-96 in Borsad, the abnormally low level of prices of agricultural commodities at present accompanied by the higher cost of living in other directions as compared with 1895-96 justified in their opinion, the remission of agricultural assessments at least for this year. The Committee also enquired of the Government if they would make available to them the record of prices received by primary growers in their villages or at nearest market centres in or about the year 1895-96.

(127) Arrest and Internment of Mahatma Gandhi.

The Committee sent the following telegram to His Excellency the Viceroy protesting against the arrest and internment of Mahatma Gandhi:—

"Committee Indian Merchants' Chamber regard with profound regret the arrest and internment without trial and under an obsolete Regulation of Mahatma Gandhi. Mahatma Gandhi has proved all throughout his public life to be this country's strongest guarantee of non-violent agitation. He is rightly considered to be the greatest living Indian if not the greatest living man, as apostle of truth and non-violence and universally respected as such. The only crime of Mahatma Gandhi in his recent agitation can be his burning patriotism for the land of his birth. The fact that for the last five weeks he carried through his programme without violence should have convinced Government that his presence in the country until Government are

prepared to meet the demands of the people was essential for purposes of Law and Order. Committee view with great uneasiness the course of events hereafter as the struggle of Mahatma Gandhi appears, despite repression, sure to be continued for the freedom of India. The forced absence of the Mahatmaji is regretted by Indians but may be regretted most by Government in near future. Committee request His Excellency the Viceroy to be pleased to convey above message to the Secretary of State for India also."

(128) Arrest and Conviction of Pandit Motilal Nehru.

The Committee passed the following resolution in connection with the arrest and imprisonment of Pandit Motilal Nehru, acting President of the Congress: "The Committee, Indian Merchants' Chamber, regret very much to find that in spite of the unanimous opinion of the commercial community that conciliatory measures should be adopted to meet the present situation, Government have aggravated the present tense atmosphere by arresting, and sentencing Pandit Motilal Nehru at this juncture.

(129). Correspondence with the President of the Bombay Chamber of Commerce on the present political situation.

At the suggestion of Sir Purshotamdas Thakurdas, President of the East India Cotton Association, Mr. Husseinbhoy Lalji, president of the Chamber, addressed a demi-official letter to the President of the Bombay Chamber of Commerce enquiring of him of the opinion of the Europeans in Bombay about the present political situation and the means adopted by Government to deal with it. The latter in his reply informed the President that the Europeans in Bombay had every sympathy with all reasonable aspirations of Indians towards obtaining a suitable form of responsible government embracing the substance of Dominion status as soon as possible. They also endorsed the suggestion that the solution of the present situation lay in the direction of a policy of conciliation on both sides and expressed the hope that the problem will be solved with the co-operation of all parties.

(130) Chambers' Representatives on the Indian Legislative Assembly and the Bombay Legislative Council.

Sir Purshotamdas Thakurdas and Mr. Lalji Naranji placed before the Committee the resignations of their seats on the Legislative

Assembly and the Bombay Legislative Council as a protest against the present policy of Government. In this connection, at a meeting of the Committee held on 6th June 1930, the following resolution was passed. "The resignations of Sir Purshotamdas Thakurdas and Mr. Lalji Naranji, representatives of the Chamber on the Legislative Assembly and the Bombay Legislative Council respectively, be forwarded to the proper authorities as a mark of protest against the present policy of the Government".

In this connection, the members are aware that the special General Meeting of the Chamber held on 25th June 1930, passed the following resolution: "Chamber desires not to send its representatives to the Assembly and or Council till Mahatma Gandhi is released and Government has made amicable and honourable settlement of the Nation's demands." Consequently no nominations were submitted by members for the Bye-elections announced by Government to fill up the vacancies caused by the resignations.

(131). The representation addressed by the Committee of the Federation of Indian Chambers of Commerce and Industry to His Excellency the Viceroy on the subject of the present political situation.

The Committee of the Federation of Indian Chambers of Commerce and Industry forwarded to the President a copy of the communication which it was proposed to send to His Excellency the Viceroy and asked for permission to append thereto the signature of the President of the Chamber, indicating thereby that the Chamber agreed to the representation. The Committee authorised the Chairman to sign the representation on behalf of the Chamber.

(132). Declaration of Martial Law in Sholapur.

The Committee sent telegrams to His Excellency the Viceroy and His Excellency the Governor of Bombay protesting against the Declaration of Martial Law in Sholapur. They observed that there was no justification for handing the city over to the Military authorities and that opinion in Sholapur was unanimous in that regard. They referred to the Court martialling in Camera for offences alleged to have been committed during Civil administration. They regretted

the ban on Gandhi caps and the insults to Gandhi and khadi dress as same hurt national feelings. In view of the reports of excesses and atrocities under Martial Law they urged immediate withdrawal of Martial Law and the restoration of the city to Civil administration. They also urged an enquiry by a public committee consisting of independent persons presided over by no less a person than a Judge of the High Court into the whole affair including excesses during the military regime.

His Excellency the Governor of Bombay, in acknowledging the telegram assured the Committee that his Government were fully satisfied that Martial Law was necessary in order to restore peace to the city without further bloodshed. He also assured the Committee that he was in close touch with the conduct of affairs under Martial Law and that it was being administered with moderation and minimum inconvenience to the public.

The Committee, in a further communication to His Excellency the Governor through his Private Secretary reiterated their previous suggestions that Martial Law should be withdrawn from Sholapur immediately and that a public enquiry should be instituted into the whole affair including the happenings during the military regime.

(133). Sholapur-Case-Appeal for Clemency.

The following telegram was addressed by Mr. Hooseinbhoy A. Laljee, President, Indian Merchants' Chamber, on 13th December to the Private Secretary to His Excellency the Viceroy:—

"Committee Indian Merchants' Chamber requested His Excellency Governor of Bombay last Wednesday, 10th instant to receive Deputation from Chamber requesting His Excellency to entertain appeal for mercy by four Sholapur convicts condemned to be hanged. His Excellency Governor's reply of date says he cannot receive Deputation as he has already given his final decision in this matter. If this decision is rejection of appeal Committee of Chamber desire me to approach His Excellency the Viceroy with earnest prayer that Sholapur convicts' appeal for mercy be accepted and sentence be commuted to one of imprisonment. Three of these convicts including one Mahomedan are reputable merchants of Sholapur. Committee feel that

unless the appeal for mercy of all four is granted in virtue of the prerogative of Royal mercy vested in His Excellency Viceroy Indian public as a whole and Indian commercial public in particular will regard Government policy as definitely repressive. It cannot be to Government interest to create such an impression on public at any juncture. Committee submit it is absolutely necessary to avoid such an impression particularly at this juncture. If permitted by His Excellency Committee will depute a few members to wait on His Excellency to explain personally gravity of the step in hanging Sholapur convicts. Kindly submit this telegram to His Excellency.—Hooseinbhoy Laljee, President."

In his reply to the Committee, the Private Secretary to H. E. the Viceroy informed the Committee that His Excellency the Viceroy was giving his careful consideration to their telegram.

(134). The Press Ordinance and the Present Political Situation.

The Committee sent a telegram to His Excellency the Viceroy protesting against the revival of the Press Act. They pointed out that the Viceroy, by utilising his extraordinary powers of issuing an ordinance had invaded the fundamental rights of citizenship. They drew his attention to the danger of the powers vested in Local Governments under the ordinance being abused. They regretted that Government, by stopping the dissemination of news had made it possible for wild rumours to be afloat and pointed out that the absence of reliable news was bound to affect commerce and industries and was sure to be an impediment to the movement of commodities required by areas where there may be restlessness. The Committee urged that instead of resorting to repressive expedients the situation should be met with a statesmanlike and effective solution.

Government of India, replying to the telegram pointed out that it was not the intention of Government by issuing the Press Ordinance to stop the dissemination of ordinary news but that it was directed against those writings in the Press which incited openly to violence and revolutionary action, or which were encouraging a spirit of lawlessness throughout the country. The measure was not designed to restrict the just liberties of the Press or to check fair criticism of the Administration. Government also pleaded for the support of

the "stable elements" in the country in such steps as may be deemed necessary in resisting the movement of disobedience to the law which had been initiated.

The Committee, in a further communication, pointed out that the actual administration of the ordinance was very far from being in keeping with the motive explained by Government and instanced the wholesale and indiscriminatory manner in which action had been taken under the ordinance in certain places.

The Committee pointed out that the Press Ordinance was a symptom of the condition to which the country had been reduced as a result of the political situation. They pleaded that instead of resorting to repressive expedients Government should study the situation and what the people thought of it from the representatives of those "stable interests," and for this, suggested that H. E. the Viceroy should convene a conference of representatives of commercial interests all over India and ascertain from them their views about the situation, and how they wished it to be handled. If such a conference was not considered feasible, His Excellency, the Committee urged, should at least receive a deputation representing the Chamber and allied Indian commercial organisations in the city. In conclusion they gave a warning against resorting to a policy of repression dictated by panic.

His Excellency accordingly invited a deputation from the Chamber and allied commercial interests, but in view of the happenings, during the interval between the Committee's letter requesting that a deputation may be received and Government's reply acceding ing to the request, which had tended to aggravate the situation, the Committee felt that no useful purpose would be served by any such deputation and accordingly informed His Excellency the Viceroy that they did not wish to trouble him with a deputation for the time-being. The Committee however added a note of warning that the developments in the country were undermining the economic fabric and urged a revision of the Government's policy with a view to allay the discontent prevalent in the country. They however, reiterated their alternate suggestion that a conference of representatives of commercial interests all over India should be held.

(135). The Prevention of Intimidation and Unlawful Instigation Ordinances (Ordinances Nos. 5 and 6 of 1930).

The Committee sent the following telegram to His Excellency the Viceroy and His Excellency the Governor of Bombay protesting against the above Ordinances:—

"Committee Indian Merchants' Chamber register their protest against the promulgation of the last two Ordinances Numbers Five and Six. Committee do not see any justification for such Ordinances and hold that the powers given to the Executive under these Ordinances are excessive.

Committee trust these Ordinances—so subversive of civil liberty —will be immediately withdrawn. Further Committee consider the method of giving effect to these Ordinances is very oppressive and indiscriminate assaults and other Police excesses of a disgraceful character thoroughly unjustified have been witnessed by prominent citizens in Bombay. Committee repeat that suppression and oppression of this character is no remedy for the present situation."

(136) The promulgation of the Ninth Ordinance by H. E. the Viceroy and the lathi charges in Bombay on Sunday, the 26th October 1930.

The Committee addressed a telegram to the Private Secretary to His Excellency the Viceroy in connection with the promulgation of the ninth ordinance by H. E. the Viceroy and the lathi charges in Bombay on Sunday, the 26th October, 1930. They stated that they had delayed their protest against the promulgation of the Ordinance to watch and examine the method and manner in which it was put into effect by the Executive. Their experience of the last few days had justified their original fears that the Ninth Ordinance had put in the hands of the Executive an instrument for reckless and ruthless repression. They pointed out that it was never a statesmanlike policy for breaches of law and order being met by Government discarding the ordinary Law and substituting for it a regime of Ordinances and submitted that the situation could be eased only by conciliatory statesmanship. They pointed out that the latest Ordinance had disturbed the political atmosphere to a very large extent. It had been

interpreted by the Executive to include organisations which were not even political and, the latest lathi charge in Bombay, on Sunday, the 26th October 1930 and the mode of its application in case of ladies was but an effect of this interpretation. The Committee therefore requested H. E. the Viceroy to rescind even in the interests of a speedy restoration of such conditions of order and tranquility which he had so much at heart, the Ninth Ordinance as also all the previous Ordinances.

(137). The Magisterial Order Prohibiting the Use of the Esplanade Maidan for Drilling, etc.

In a communication addressed to the Government of Bombay, the Committee observed that there was no justification for the order issued under Sec. 144, C. P. C. by the Chief Presidency Magistrate, Bombay, putting a ban on the use of the Esplanade Maidan for drilling, etc., by the Volunteers of the Bombay Provincial Congress Committee, and other men. The reason assigned by the Magistrate for the order, viz.: that it would annoy the Indian Infantry encamped close by the Maidan and by whom the Maidan was used for similar purposes was unconvincing. The Committee observed, that the Maidan had been available for use by the public uninterrupted and thus the public had a right to use the same. They therefore thought that the ban was an interference with the right of citizens and urged that Government should restore to the public the unfettered use of he Maidan.

The Committee drew the attention of Government to the happenings in the Maidan on the 21st June, when the police were alleged to have used force indiscriminately in dispersing the people assembled on the Maidan. The Committee, in conclusion, suggested that Government should make enquiries and take action against those concerned for the manner in which force was used on the occasion and to take steps to see that such dastardly outrages were not perpetrated in the name of Law and Order.

(138). Interpretation of the Rules regarding the classification of prisoners.

The Committee addressed a communication to the Government of Bombay in connection with the manner in which the rules regarding

the classification of prisoners were interpreted by the classifying authorities. They submitted that these rules were based upon the principles laid down by the Government of India in their communique dated 19th February 1930 wherein they had emphasised that interpretation of the existing rules should be in a liberal spirit. The Rules or instructions as they were called, which the Government of Bombay had issued followed closely on the lines laid down by the Government of India with some differences here and there. Thus, for instance with regard to Class A, it was restricted in the Government of Bombay rules to include "only a limited number of exceptional cases," a restriction which was not found in the Government of India rules. The Committee stated that they did not then consider it proper and convenient to go into the details of these rules, but they had watched with regret that the rules were more followed in their breach than in the observance thereof. They submitted that the rules as they were drafted must be adhered to till they were abrogated. If persons in leading and responsible positions of life and enjoying a high social status were to be placed in B Class and if persons eligible for B class were to be placed in C class at the sweet will of the Magistrates and even the Magistrates' decisions were to be reversed in many cases and persons originally placed in a higher class were to be later on transferred to a lower class or the lowest class without any reason, there was no meaning in the rules and the authorities administering Law and Order might be said to be violating this Law and Order themselves. The Committee pointed out that while this was the case with Indian political prisoners, they were informed that European prisoners convicted of offences involving moral turpitude were accorded A Class treatment.

Under the circumstances, the Committee urged that proper observance of these rules should be enjoined by Government on all the Executive authorities.

(139). The infliction of disproportionately heavy sentences on, and the treatment of, political prisoners.

The Committee addressed a communication to the Government of Bombay expressing their opinion that the heavy sentences of long imprisonment inflicted upon political workers like Sheth Jamnalal Bajaj,

Darbar Gopaldas, Mr. Gokuldas Talati and Amritlal Sheth, etc., were disproportionately heavy as the offence for which they were convicted involved no moral turpitude. Further, they protested against the handcuffing of people with high social position as Darbar Gopaldas and Gokuldas Talati. They hoped that sentences inflicted on such members of the public who were arrested for participating in political activities would be more in accordance with the requirements of justice. They further pleaded that all the prisoners recently convicted for political reasons should be placed under class A. and that the new Jail Rules should be put into effect immediately, especially with regard to all the political prisoners.

(140). Transfer of Prisoners to Visapur Jail.

The attention of the Committee was drawn to the report in the press that some Prisoners from the Worli Jail were transferred to Visapur Jail. As the latter Jail had in the past by association a bad reputation of which people shudderred to think, the Committee addressed the Government of Bombay expressing their distress that this Jail should have been selected for accommodating the Satyagrahi Prisoners. The Committee enquired of Government as to what arrangements they had made for the health, for the proper supply to food to the prisoners, and as regards their treatment. They stressed upon the Government the fact that most of the Satyagrahi Prisoners were of a class accustomed to live in healthy surroundings and urged on the Government the necessity for taking every care to protect their health.

In their reply the Government of Bombay informed them that the old Visapur Jail was selected as a place for a temporary additional jail because there were already in existence buildings which could, with small repairs and adaptions, be converted into a temporary prison within the period of time which the occasion demanded. Further, arrangements had been made by which the prisoners would receive the same treatment as rgards their health and food and in other respects as in an ordinary jail.

(141). Police Excesses at Viramgam, Dholera and Bombay.

The Committee addressed the Government of Bombay on the subject of the alleged police excesses while dealing with satyagraha tee welcomed the proposal.

volunteers at Viramgam, Dholera, etc., and also while dealing with a public crowd at the Congress House, before the Girgaum Police Court, at Mandvi and Bhatia Bag in Bombay. They felt that as these allegations of excesses were corroborated by certain responsible members of the Chamber, Government should hold an enquiry into the same, and suggested the institution of a public enquiry into these allegations as soon as possible.

(142). Stoppage of Issue of Platform passes at Viramgam to people wearing white caps:—

The Committee received a telegram complaining that the railway authorities refused platform passes at Viramgam to people wearing white caps. They referred the matter to their representives on the B. B. & C. I. Railway Advisory Committee for investigation and necessary action.

(143). Rates for the supply of electrical energy in Bombay.

At the instance of a member the Committee of the Chamber wrote to the Bombay Electric Supply & Tramways Co. Ltd., drawing their attention to the necessity for reducing the charges levied by them for the supply of electricity in Bombay. The Committee referred to the general depression in the trade and industries of the City which had not abated in any degree, but, had on the contrary shown signs of an increase for the last few months. The world-wide fall in prices had considerably lessened the earnings of the mercantile community of the City and the Committee pointed out that it was just at this juncture that there was an immediate and pressing necessity for general lowering down of the charges which it had to bear. In conclusion the Committee referred to the fact that the charges levied by the Company were already too high, specially, when a comparison was made between the charges the Company paid to the Tatas for the supply of power and the charges which the consumer had to pay to the Company, and requested the Board of Directors of the Company to reduce the charges for the supply of electricity.

In their reply the B. E. S. T. Co., Ltd. stated that the question of lowering the rates for the supply of electrical energy had, for

sometime past, been receiving the attention of the Board of Directors of the Company. They, however, pointed out that the cost of transformation and distribution and the interest, depreciation and other charges on the different works and for maintenance, inspection and supervision of the services reduced the margin of profit to a considerable extent. They, however, stated that experts in electrical tariffs from England and America had recently examined the system of charges in force and their reports and any recommendations based thereon would be carefully considered by the Board of Directors.

In reply to this letter, the Committee of the Chamber requested the Company to inform them of the decision of their Directors on the report on the system of tariffs which was to be submitted by experts.

(144). Arrears of work in the Bombay High Court. Establishment of a City Court.

The Committee addressed the Government of Bombay on the subject of the heavy arrears of work in the High Court. They observed that the inordinate delays, and the consequent abnormal cost of litigation concerned the commercial community vitally, because they suffered most by it. They were not agreeable to the suggestion made in some quarters to meet the situation by appointing additional Judges, because in their opinion, it would not ease the situation and further the present state of the finances of the Presidency did not justify any such additional expenditure. Instead they suggested the establishment of a City Civil Court with a pecuniary jurisdiction of Rs. 5,000. This would draw away much of the work from the High Court and would be helpful in minimising the delays due to congestion that were taking place in the High Court. The congestion was mainly due to large proportion of small value suits, which, with the provision of a City Court would be diverted there.

They further suggested that steps should be taken to improve the internal administration of the High Court. Judges' meetings which were now being held in Court hours should be held only after hours and the Chief Justice should be relieved from the burden of administrative work which was taking away much of his time. They also wanted the period of Court vacation to be reduced.

(145). Surtax on Solicitors' Fees and Compulsion to engage two Counsels in all long causes of over Rs. 5,000.

The Committee had addressed a communication in November 1927 to the Prothonotary and Registrar, H.M.'s High Court at Bombay, on the subject of the Surtax and solicitors' fees and the compulsion to engage two counsels in all long causes of over Rs. 5,000. The Committee had pointed out therein that the scale of charges in connection with the litigation on the Original side of the High Court had always weighed heavily on the litigant public with the result that a large number of people were prevented from approaching the principal Court of Justice. The Committee had suggested that the extra charge of 33 1|3 which the Solicitors were allowed to levy under new Rule 535 A. should be abolished, as a first step. In respect of other charges too, the Committee had pointed out that the scale which had for its basis the scale of fees in force in the High Court of London was bound to prove too costly for a poor country like India. They had submitted, that the old scale of fees should be revised with a view to bring about an appropriate reduction particularly with regard to suits involving sums under Rs. 10,000. They had also suggested the establishment of a Special City Court to try cases involving amounts under Rs. 10,000.

The Committee had also drawn the attention of the Judges of the High Court to the fact that litigants were compelled by the High Court Rules to engage two counsels in all long causes of over Rs. 5,000. The Committee had requested them to instruct the taxing master not to allow fees of two counsels in cases where only one was present at the trial. They had also suggested that both the counsels should be asked to be present at the trial to give their services in return for their fees.

This matter was referred by the High Court to the Bombay Bar Association and the Incorporated Law Society of Bombay, and as their replies were not received for a long time, the question was held in abeyance for over two years. Early in April this year (1930) the Committee of the Chamber were informed by the High Court that the Judges considered that the existing long standing practice of employing two Counsels in every long cause over Rs. 5,000 required

qualification, so long, at any rate, as in practice, only one of those two Counsels was present in the Court or actively assisted the conduct of the case in Court. They, however, preferred to see what changes in the Bar Rules the Bar were prepared to suggest. They stated that they would, therefore, not at once make any change in the present practice, but would wait for the reply from the Bar to the proposals submitted to them. As regards he revision of the scale of fees charged by Attorneys, their Lordships had decided to revise these fees and to eliminate the 33 1|3 per cent. and that they had appointed a sub-committee for that purpose.

The Committee thereafter addressed another communication to the Registrar, H.M.'s High Court drawing his attention to the lengthy correspondence which the Committee had with him on this subject, and enquiring as to where the matter stood at present. The Committee drew the attention of the Chief Justice and the Judges of the High Court to the existing heavy depression in the trade and industries and stressed the necessity for the abolition of the 33 1|3 per cent. surtax on solicitors' fees as also for putting into effect the different suggestions put forward by the Committee for reducing the cost of litigation. They also pressed for taking up the question of the establishment of a City Civil Court to try cases involving amounts under Rs. 10,000. They stated that this step would relieve the existing congestion in the High Court and would ultimately result in effecting a retrenchment in the expenditure of the Government by a reduction in the number of Judges in the High Court.

(146). High Scale of Fees in the Small Causes Court.

The Committee addressed the Government of Bombay on the subject of reducing the scale of Court fees in Small Causes Court. They observed that the scale was higher than that fixed for the High Court and therefore had the effect of acting as a deterrent against merchants seeking redress through the medium of the Small Causes Court. At a time when there was a heavy congestion in the High Court work, any reduction in the scale of fees of the Small Causes Court would have the salutary effect of relieving this congestion, by a good deal of the litigation being diverted to Small Causes Court.

(147). The Questionnaire issued by the Drugs Enquiry Committee.

The Committee considered the questionnaire issued by the Drugs Enquiry Committee appointed by the Government of India and made the following suggestions:—

The Committee expressed their opinion that a Central Laboratory should be established in Bombay where most of the drugs were imported and that branch laboratories should be established in Calcutta, Madras and Lahore for the examination of raw materials and finished products. They stated that the profession of pharmacy should be restricted to qualified persons and they suggested the establishment of a School of Pharmacy for imparting instructions to would-be compounders and others who wanted to follow the profession of pharmacy and they also suggested various standards for those desirous of taking up (a) compounders' course and (b) the profession of pharmacy. The Committee also stated that it was necessary to impart higher education in pharmaceutical Chemistry for graduates in Science, for the purpose of their being trained as manufacturing Chemists or for doing research work on the analytical or research side. The Committee suggested the standardisation of various preparations made from (a) drugs used in the indigenous medicines (b) drugs prepared on Western lines and (c) drugs prepared on Ayurvedic and Unani Lines on systems to be specially worked out for the purpose. They were opposed to the proprietary and patent medicines and medicinal preparations unless they had their formulae written on the labels. An All-India Council should be established to determine the standards for drugs on Western lines and also another for determining standards on Ayurvedic and Unani lines. The Committee were also of opinion that the Central Council should prepare an encyclopaedic compilation with regard to drugs on Ayurvedic and Unani lines and a pharmacopia of Indian drugs on scientific lines.

(148). The post of the Deputy High Commissioner for India in London.

The attention of the Committee was drawn to the appointment of Mr. A. M. Green as Deputy High Commissioner for India in London. The Committee thereupon addressed a communication to

the Government of India drawing their attention to the fact that they had all along pressed for the Indianisation of all such appointments and that they believed that the Government of India themselves had accepted this policy of Indianisation. They stated that the post of the Deputy High Commissioner was a very important one specially as the man who was holding it might be called upon at any time to act as High Commissioner. Looking to the fact that an Indian High Commissioner had satisfactorily discharged his duties for the last 6 or 7 years, there was no reason why his Deputy should be a non-Indian. In conclusion the Committee stated that this question would receive the proper attention of the Government of India and urged that the post should now be given to an Indian gentleman.

The Committee also referred to the second post which was about to be created in the office of the High Commissioner and urged that an Indian should be appointed to this post as well. They stated that the percentage of Indians appointed in the High Commissioner's office was so very unsatisfactory that it was high time that the Government of India appointed as many Indians as possible to the staff of the High Commissioner.

(149). Inordinate delays in the supply of Government publications to the public.

At the instance of a member the Committee drew the attention of the Government of India to the inordinate delays in the supply of Government publications to the public. While in their letter they referred to a specific instance, they pointed out that this was not a solitary instance of that kind, and that the public had generally to wait often for a long time after the publication of a book or a report by Government before copies were made available to them. It often happened that when a particular report was actually received by the public, very little time was left for the expression of their opinion, and this, the Committee added, acted as a serious impediment in the way of the public taking an interest in the enquiries and reports. In conclusion the Committee hoped that proper enquiries would be made in the matter and that adequate provision would be made in future to remove this grievance.

In another communication addressed to the Government of India in connection with the delay in the supply of the Despatch of the Government of India on Indian Constitutional Reforms, the Committee again stressed the necessity for making definite arrangements to enable the public to get copies of such important publications on the day on which they were published in the principal cities of India.

(150). Appointment of the Principal of the Royal Institute of Science.

The attention of the Committee was drawn to the fact that the Principal of the Royal Institute of Science, Bombay, was due to retire shortly and that a new Principal was about to be appointed. The Committee thereupon addressed the Government of Bombay requesting them to appoint an Indian gentleman on that post. They pointed out that the Institution was the leading institution with regard to Science in the Presidency and the time had now arrived when an Indian Scientist should be appointed as its head. They stated that there would not be any difficulty in finding a suitable man for the post as there was a large number of Indians who had earned their name and fame in the field of science and had distinguished themselves not only in this country, but also in the International world of science. In reply the Government of Bombay stated that "the claims of Indian Scientists who are qualified for the post will of course be fully considered."

(151). Services of Mr. V. J. Patel as President of the Legislative Assembly.

The Committee passed the following resolution placing on record their appreciation of services rendered by Mr. V. J. Patel as president of the Legislative Assembly: "The Committee of the Indian Merchants' Chamber desire to place on record their very high appreciation of the services of Mr. V. J. Patel as President of the Legislative Assembly."

(152) The Examinations of the Society of Incorporated Accountants and Auditors.

It was suggested to the Council of the Indian Chamber of Commerce in Great Britain, that they should move the Society of Incorporated Accountants and Auditors to establish centres in India

for holding examinations. Before, however, taking any steps in the matter, the Council invited the views of the Committee on the suggestion. The Committee, in their reply, observed that the need for such examinations in India had ceased with the establishment of an All India Accountancy Board, legislation regarding which had already been effected. They added that the Board which had been formed with the avowed object of regulating and organising the profession of accountancy might be better expected to conduct examinations adapted to Indian conditions than any foreign organisations, however highly placed it may be. They, therefore, were opposed to the idea of asking the foreign society to start centres in India.

The Council of the Indian Chamber of Commerce in Great Britain informed the Committee that they appreciated the views of the Committee and had dropped the idea of asking the society to hold their examinations in India.

(153) Increased representation on the Committee to the Association-Members of the Chamber.

It was suggested to the Committee that as there was a general desire among the Association-Members of the Chambers to have increased representation on the Committee of the Chamber, this question should be considered by the Committee. The question was referred to the Procedure and General Purposes Committee and in consultation with that Committee, the Committee decided to recommend to the General Body to increase the representation now enjoyed by the Association-Members from the present number viz., five to 40 per cent. of the Association-Members of the Chamber by co-option under Rule 26-A. It was decided to bring up the necessary amendment to the Rules to give effect to this recommendation before the Annual General Meeting to the held in January 1931.

(154) Souvenir of the handi-crafts exhibition organised by Bombay Municipal Handi-craft Teachers' Association, Bombay.

Mr. V. G. Rao, a Member of the Municipal Corporation & Schools Committee forwarded to the Committee a copy of the Souvenir of the Handi-craft Exhibition organised by the Bombay Municipal Handi-crafts Teachers' Association for their opinion. The Committee stated that the scheme undertaken by Mr. V. G. Rao deserved encouragement and support.

(155) Amendment to the Bombay Electoral Rules.

The Government of Bombay invited the views of the Committee on the proposal to amend Rule 21 of the Bombay Electoral Rules, so as to provide for a weekly return of election expenses of candidates and regular books of accounts being filed with the Returning Officer. The Committee expressed their opposition to the amendment.

(156) The Election of a Representative of the Chamber on the Senate of the Bombay University.

The term of office of the present representative of the Chamber on the Senate of the Bombay University expiring on 4th August 1930, the Registrar of the Bombay University asked the Chamber to elect his successor. As a result of the election held in this connection in the office of the Chamber on 23rd June, Mr. Nagindas T. Master was elected as the Chamber's representative on the Senate.

(157) Chamber's Commercial Examinations.

There were in all 158 candidates for the Chamber's Commercial Examinations in 1930, 100 for the Diploma Examinations and 58 for the single certificate examinations. Out of the 100 Diploma candidates, 47 were successful and out of the 58 single certificate candidates 11 were successful. Examinations were held in Bombay, Ahmedabad, Baroda, Calcutta, Surat, Poona, Madras, Bangalore and Narsapur.

(158) Cocoanut Day Holiday.

The opinion of the Committee was invited by the Police Commissioner, Bombay, as to which of the two days, 8th and 9th August, was likely to be observed as Cocoanut Day by the majority of the Hindu Community. The Commissioner was informed that as there was divergence of opinion in the matter, the Committee could not express themselves one way or the othr.

(159) The late Mr. Kisondas Munmohandas Ramji.

The Committee at their meeting held on Tuesday 4th February 1930 passed the following resolution expressing their deep sorrow at the premature death of Mr. Kisondas Munmohandas Ramji.

"The Committee of the Indian Merchants' Chamber put on record their sense of deep sorrow at the sad and premature death of their colleague; Mr. Kisondas Munmohandas Ramji, son of the Hon'ble Sir Munmohandas Ramji, Kt., one of the founders of the Chamber. Mr. Kisondas rendered valuable services to the Chamber as their representative in the Bombay Municipal Corporation for the years 1926 to 1928, and as a member of the Committee."

(160) The Indian Employers' Delegation to the 15th Session of the International Labour Conference, 1932.

The Federation of Indian Chambers of Commerce and Industry suggested the following names for being recommended to the Government of India for the appointment as the Indian Employers' Delegation to the 15th session of the International Labour Conference, 1932:—

Delegate: Mr. Hooseinbhoy A. Laljee (Indian Merchants' Chamber, Bombay).

Advisors:

1. Mr. S. C. Ghose, President, Indian Mining Federation, Calcutta.
2. Mr. Rameshwar Prasad Bagla, M. L. A., U. P. Chamber of Commerce, Cawnpore.
3. Mr. M. P. Gandhi, M. A., Secretary, Indian Chamber of Commerce, Calcutta.
4. Lieut. P. S. Sodhbans, Honorary Secretary, Indian Chamber of Commerce, Lahore.

The Committee accepted the personnel suggested by the Federation and wrote to the Government of India recommending the same.

(161) Department of Industries, Bombay.

The Committee addressed a communication to the Director of Industries, Bombay, and asked for information as to (1) whether the Department of Industries had taken any steps to encourage hand spinning and hand weaving industry in the Presidency, (2) whether the Department had taken any steps to encourage the manufacture and sale of the products of indigenous industries, (3) whether any steps had been taken in connection with the proposal to establish a

commercial library and finally, as to the ways and means taken by the Department in the propagation of swadeshi in the Presidency.

In his reply to the Committee, the Director of Industries stated that an investigation had been carried out some time back in connection with the economics of hand spinning. It was found that the return to a worker would be very small and no practical demonstrations had therefore been given in hand spinning. Very considerable amount of work had, however, been done in connection with practical demonstations in hand weaving-silk, cotton and wool. He also stated that the Department gave commercial advice to inquirers, and that the Department was gradually building up a library on technical and commercial subjects which was open to the public. As regards the directions in which the Department was helping the industries generally, the attention of the Committee was drawn to the Annual Report of the Department. In acknowledging the receipt of this information, the Committee stressed the necessity of dvoting more attention to the development of hand spinning.

(162) Membership of the Chamber.

At the beginning of the year there were 474 members. 23 members were elected during the year and 36 members discontinued their membership, (22 having resigned, 6 benig struck of the rolls for arrears of subscription, 3 having closed their business and 5 having died). Thus there are now 461 members on the register.

(163) Statement of Accounts of the Chamber:

The Statement of Accounts of the Chamber for the year ended 31st December 1930, with the auditors' report is appended herewith.

THE INDIAN MERCHANTS' CHAMBER.

Dr. *Receipts and Payments Account from 1st January 1930 to 31st December 1930* **Cr.**

RECEIPTS.

				Rs.	a.	p.
To Balance brought forward as per last year's Balance Sheet				37,068	13	4
Capital Fund :—						
23 New Members @ Rs. 100—each			2,300	0	0	
Less admission fee of One Member @ Rs. 100—exempted	100	0	0			
Less admission fee of one Member outstanding ..	100	0	0			
			200	0	0	
				2,100	0	0
Membership subscription :—						
354 Resident Members @ Rs. 75--			26,550	0	0	
47 Limited Companies @ Rs. 100--			4,700	0	0	
22 Association Members @ Rs.125--			2,750	0	0	
41 Mofussil Members @ Rs.25 ..			1,025	0	0	
Outstanding realised			2,575	0	0	
Bad debts realised			150	0	0	
			37,750	0	0	
Less :—						
	Rs.	a.	p.			
Subscription outstanding ..	4,600	0	0			
Last year's bad debts (6 Members @ Rs. 75/)	450	0	0			
Subscription received last year ..	25	0	0			
			5,075	0	0	
				32,675	0	0

PAYMENTS.

		Rs.	a.	p.
By	Office Establishment, Rent & Insurance ..	26,495	13	6
,,	Telephone Rent	370	0	0
,,	Postage & Telegrams	1,855	0	0
,,	Miscellaneous Charges	249	4	9
,,	Subscriptions to Newspapers and periodicals.	911	5	1
,,	Books for Chamber's Liberary	393	1	6
,,	Purchase of books on currency and exchange, etc. (from Sir Purshotamdas Thakurdas Entertainment Fund).	58	8	6
,,	Stationery	2,155	3	0
	Printing Chamber's Reports & Representations.	3,328	14	0
,,	,, Chamber's Journal	2,254	6	0
,,	Commission on advertisements in journal ..	96	11	0
,,	Carriage Hire	272	3	9
,,	Chairs Hire	134	0	0
,,	Auditors' Honorarium	100	0	0
,,	Bank Commission	2	4	0
,,	Furniture & Fittings	100	0	0
,,	Membership subscription to Federation of Indian Cham. of Com. and Industry	150	0	0
,,	Do. Indian National Committee of International Chamber of Commerce ..	33	0	0
,,	Contribution to Indian Chamber of Commerce in Great Britain (2 Guineas)	28	13	6
,,	Commercial Examinations (including expenditure as honorarium to Examiners and printing charges of question papers etc.)	1,290	0	0
,,	Upkeep of Chamber's Library	14	6	0
,,	Book-binding charges	43	4	0
,,	Repairs to Typewriters..	96	0	0
,,	Loan to office Peon (recoverable) ..	150	0	0

Payment received in advance of one Mofussil Member	25	0	0
Subscriptions to Chamber's Journal	184	0	0
Advertisements in do.	520	5	0
Fees for issuing Certificates of Origin	220	0	0
Fees for Commercial Examinations	1,946	0	0
Interest on Investments & Current Accounts. ..	1,453	3	7
Sale proceeds of Members' Lists	183	0	0
Do. Syllabus, Commercial Examinations	12	7	0
Do. Q. Papers, do.	23	10	0
Do. Old Newspapers.	10	0	0
Commercial Museum Fund.	50	0	0
Deposit a/c with Central Publication Branch, Calcutta as per last year's Statement. ..	49	7	0
Total Rs.	76,520	13	11

„ Travelling Expenses (including special allowance of Rs. 2,000/- sanctioned to the Secretary re: his visit to Geneva). ..						2,351	3 0
„ Deposit account with Central Publication Branch, Calcutta						7	13 0
						42,941	2 7
Investments & Cash :—							
Capital Fund :							
5% Govt. Loan (1945-55) of Rs. 5,000 at cost	Rs. a. p. 5,425 0 0						
5% Municipal Loan (1959) of Rs. 10,000 at cost	8,862 8 0						
In current a/c with Central Bank of India, Ltd.	6,512 8 0			Rs. a. p.			
Other Investments:				20,800 0 0			
4% Port Trust Bonds of Rs. 2,000—at cost ..	2,025 0 0						
6½% Development Loan of Rs. 5,000 at cost ..	5,000 0 0						
Cash :				7,025 0 0			
In current a/c with Central Bank of India, Ltd.	2,532 10 9						
In current account with Bank of India, Ltd. ..	3,193 13 11						
In hand ..	28 2 8						
				5,754 11 4		33,579	11 4
				Total Rs.		76,520	13 11

J. K. MEHTA,
Secretary.

HOOSEINBHOY A. LALLJEE,
President.

We have examined the above account of Receipts and Payments with Books and Vouchers of the Indian Merchants' Chamber and certify the same to be correct.

DEVIDAS VITHALDAS & Co., Auditors.

APPENDICES.

TRANSPORT AND COMMUNICATION.

RAILWAYS.

APPENDIX I.

REVISION OF THE INDIAN RAILWAYS ACT.

Letter, dated 11th December 1929, from the Secretary, Railway Rates Advisory Committee, to the Chamber.

I am to forward herewith a copy of a *Press Communique*, dated the 29th November 1929, regarding the Amendment of the Indian Railways Act, 1890.

Press Communique, dated 29th November 1929.

In May 1929 the Government of India asked the President of the Railway Rates Advisory Committee to consider and, in consultation with the Railway Member of the Committee, to submit recommendations to them regarding the amendments which in his view were necessary in the Indian Railways Act of 1890. The public, including commercial bodies, the Chambers of Commerce, the trading community and others interested in the subject are invited to send any suggestions that they may have to offer, more particularly with regard to the carriage of goods and passengers, to the Secretary of the Railway Rates Advisory Committee, 5 & 6 Government Place, North, Calcutta, for the President's consideration.

2. It should be explained that the reference to the President does not include amendments designed to provide the future organisation and constitution of the authorities to be charged with the responsibility of administering the railways of India. The system by which the Indian railways are to be administered in future is likely to come under examination at no very distant date and until the questions of substance which arise in that connection have been settled, it would be premature to consider what amendments should be made in the Act. Nor does the reference to the President cover amendments designed to provide for the

regulation of railway services, including in that term all classes of railway servants whatever their rank and designation. At present officers of the higher services are subject, in a large measure, to rules made under the Government of India Act, and the question of substituting for these rules provisions of an Act of the Indian Legislature or rules made thereunder does not yet arise. Legislation affecting the subordinate establishment on the other hand is inseparable from the question of labour legislation generally and must naturally await the recommendations of the Royal Commission on Labour.

Suggestions on these two points are not, therefore, invited. It should also be explained that no formal enquiry is contemplated at this stage, nor will the President record any formal evidence.

No. 1115, dated 22nd May 1930, from Chamber to the President, Railway Rates Advisory Committee.

With reference to your *Press Communique*, dated 29th November 1929, sent along with your letter of the 11th December 1929, I am directed to submit hereby the views of the Committee of this Chamber:

Section 10: The first part of this section reads as follows :—

> *"A railway administration shall do as little damage as possible in the exercise of the powers conferred by any of the three last foregoing sections and compensation shall be paid for any damage caused by the exercise thereof."*

My Committee suggest that the damage to which reference is made here should include not only the damage which is done during the constructions of works but also that which is done after the completion of the same. Thus, if a railway line is passing near some building and there is no damage done to the building while the construction of the line is in progress but afterwards on account of vibrations caused by the passing of trains, the building collapses within six months after completion of the line the railway administration should be held liable and a provision to that effect is desirable.

Section 26: There is no stipulation in this section regarding a particular period within which a Commission may be appointed by the Governor-General in Council. My Committee are of opinion

that within six months of an application to the Governor-General in any particular case it should be possible for Government to reach a decision and such a Commission should be appointed within six months. If there is no such stipulation a good deal of time may be unnecessarily wasted before a Commission is appointed and in the meanwhile the interests of parties may suffer and the very purpose of the applicants may be frustrated and the relief sought become of no avail.

Section 47: Rules are passed under this section for the warehousing and retention of goods to some of which my Committee take strong objection and make the following suggestions:—

Rule 1.—Wharfage on goods should be reduced to a maximum of half an anna per maund. No wharfage should be charged during postal strikes.

Rule 2.—This rule provides that goods will in all cases be at owner's risk until taken over by the Railway Administration for despatch and a receipt in the prescribed form has been granted, duly signed by an authorised railway servant. My Committee beg to bring to your attention the very serious hardship and inconveniences which have to be undergone by merchants on account of the operation of this rule. Goods are known to be lying at mofussil stations for a number of days before a railway receipt is passed for them, and all this while the responsibility has to be borne by the consignor, who, however, has no control over them as they are not in his charge. My Committee therefore suggest that the railway receipt should be passed on the same day as the goods are accepted and stacked in the railway yards or on the railway platforms and the railway administration should accept responsibility as from that date.

Rule 3.—Sub-rule (*1*) of this rule provides that wharfage charge may be levied in respect of all goods not removed from the railway premises before the closing time of the day following the day on which they are made available for delivery. This rule causes a great deal of inconvenience and harassment to consignees as if the goods are received, say, at 4 p.m. and the Mukadam or other representative

of the consignee is informed just before 5 p.m. (closing time,) it is not possible for him to take delivery of the goods that day, and thus only a few hours are actually given to the consignee to clear his goods. My Committee therefore suggest that if notice has not been given to the consignee before 3 p.m. of a particular day the period of 24 hours should not begin to run from that day.

Rule 4.—Wharfage charge for unclaimed booked luggage and parcels should be one anna per maund or part of a maund for 24 hours or parts of 24 hours.

Rule 6—This rule which deals with a penalty for wagon demurrage was framed at a time when there was a good deal of wagon shortage. There is, however, no such wagon shortage at present. My Committee, therefore, suggest that Rs. 8 may be fixed as the maximum daily charge for four-wheeler wagons and a proportionate charge on other types of wagons. This cannot be considered unfair in view of the charges which railway administrations have to pay *inter se* under the wagon pool system.

Rule 12—My Committee suggest that the number of holidays should be increased and should be fixed in consultation with different Chambers of Commerce of the different Provinces, as holidays differ a good deal in each of the Provinces.

Rule 24—The clock-room charge should be fixed at one anna only instead of two annas as at present.

Section 55: There is no period fixed at present for filing of suits by railways, while a period of six months is fixed for the filing of suits by members of the public. My Committee suggest that railway administrations should also file suits within the same period of limitation. The ordinary period of limitation namely, three years, which now applies to cases to be filed by the railway administration is most unsuitable to such cases, as it would br difficult in cases filed after an excessively long period of time foe consignors and consignees to settle their own rights *inter se.* No goods should be detained for recovering previous undercharges if there is a *bona fide* dispute over the same.

Section 72: This deals with the much-discussed question of risk notes. My Committee are of opinion that the revised forms of risk notes still leave great room for improvement as the railways claim exemption from liability by usually not accepting the packing of goods to be satisfactory. Whether a packing is satisfactory or not should in the opinion of my Committee, be capable of decision on known facts by any surveyor, and should not be left to Goods Clerks in their absolute discretion to decide. My Committee are also of opinion that the railway administration should now be asked to account as bailees for goods like coal, kerosine, petrol, firewood, etc., carried in bulk. In the case of the owner's risk consignments of such articles, no claims for shortages are accepted by the railways. Would it be reasonable for consignee in India to receive, say, 25 per cent. less coal at destination than is booked as indicated by the R/R or 10 to 15 per cent. short oil? In such cases, it should be for the railways to prove the reasons for the loss and where this is due to mishandling or defective rolling stock, railways should be held liable to make good the loss. My Committee are further of opinion that re-weighment at destination stations should always be allowed on the application of consignees. If necessary a small fee may be fixed for such re-weighments of a whole consignment and the fee should be refunded if difference is found on re-weighment. Railway administrations should also be required to give receipts immediately on presentation of consignment notes with goods as several times it happens though the delivery of goods is taken from the consignors the railway receipt is passed to them after one or two days or even more. Slack bags should be re-weighed and a remark to that effect be allowed to be entered in the Delivery Receipt.

Section 75: My Committee are of opinion that a large number of travellers remain unindemnified in respect of losses because of the ignorance of the existence of this section. My Committee therefore suggest that it is necessary in the interests of the travelling public that large size posters containing the text of this section, together with the full copy of the Schedule No. 2 of the Act, be placed prominently near the booking office and on all railway platforms. The travelling public may also be notified in these posters that it is possible for them to insure against the loss of such articles by paying a nominal extra charge to the Railway.

My Committee also suggest that the amount of Rs. 100 fixed in the section as the limit to which the Railway administration accepts liability, is too small, now that the value of money has been considerably reduced, and suggest that it should be increased to Rs. 250.

In regard to the Schedule, my Committee are of opinion that if an exception can be made in respect of uniforms of civil and military officers, there is no reasons why complete exception should not be allowed in the case of silks, furs, lace and dresses having inlaid gold or gold thread or inlaid silver or silver thread which are undoubtedly part of the personal wearing apparel of travellers, who offer their packages to the custody of the Railway administration when actually travelling in the train in which these packages are offered to be carried. My Committee suggest that such an exception be introduced in the Section.

Section 77: My Committee are of opinion that refund vouchers in respect of overcharges should be forwarded by the railway administrations even without any claims being preferred for the same to the consignor or consignee who has paid the freight when the address of the party is known or is readily ascertainable by the railway and the period within which claims can be preferred for refund of overcharges should be raised to nine months.

Section 78: A party should not be penalised if there is a *bona fide* mistake committed in regard to the classification of goods.

Section 80: My Committee are of opinion that a technical difference to the effect that the notice has not been served on the Agent of a railway administration should not be allowerd to be raised and that it should be sufficient if a letter is addressed to the Railway and marked inside as for disposal by the Claims Department. Notice should not in any case be deemed to be invalid if it is not addressed to the Agent. No notice should be required to be given to the Secretary of State and it should be provided that the notice may only be given to the delivering railway and not to all the railways on which the particular goods may have passed or the particular passenger may have travelled. The Railway officers should acknowledge claim letters immediately.

Section 106: My Committee cannot see the fairness of penalising the owner of the goods if a wrong and misleading description is given of the goods consigned by his agent. In the business life

of the big commercial cities the consignor himself never goes to the railway station, but all this work is done by the Mukadam or some such other men. These men may sometimes commit mistakes, *bona fide* mistakes, in their description of the classification of the goods and it cannot be deemed fair and equitable that for this offence of theirs the consignor shall be penalised.

Section 140: *Vide* remarks regarding Section 80 above.

Section 142: These notices should not be required to be sent by registered post but certificates of posting should be allowed. There was no system of certificates of posting when the Act came into force and so this section must have provided for sending by registered post. Now that certificates of posting have come into vogue it is not necessary that parties should be required to undergo the additional expenditure of registered postage when a certificate of posting serves the same purpose.

Sections 146 and 148: These should be made applicable to the Port Trust Railways also.

The Railway Act should be made applicable to the Port Trust Railways.

My Committee beg to make the following additional suggestions in the interests of trade and industries :—

(1) Greater publicity should be given to the Rules 252 to 260 **Appendix IV.** by publication in vernaculars of the districts.

(2) Claims should be settled within a reasonable time, and changes in rules whenever they are made should be notified to recognised commercial bodies.

(3) No wharfage should be charged in times of public strikes.

(4) Sweepings should be allowed to merchants in proportion to the claim for shortage allowances.

(5) Classification of goods should be universal and not different according to the different railways.

(6) A Railway receipt should be considered a document of title.

APPENDIX II.

MEETING OF THE COMMERCIAL COMMITTEE OF THE INDIAN RAILWAY CONFERENCE ASSOCIATION.

No. F-987, dated 10th September 1930, from the Federation of Indian Chambers of Commerce and Industry to Chamber.

Some time back the General Secretary of the Indian Railway Conference Association, Allahabad, informed this office that it was the intention of the Association to supply commercial and industrial bodies with particulars of such subjects on the Agenda of the Meetings of the Commercial Committee as were of interest to them with a view to obtaining their views before the questions were considered by the Committee and he enquired whether the office would take upon itself to circulate these questions to the Member-Bodies and to obtain their views for the use of the Commercial Committee. The General Secretary was informed that it would be more facilitating if the Member-Bodies of the Federation were directly supplied with a copy of the papers in connection with the questions that were to be discussed at the Commercial Committee and to obtain the views of the Member-Bodies thereon.

I now understand from the General Secretary of the Association that he has forwarded for your opinion particulars of subjects which would be discussed at the next Meeting of the Commercial Committee to be held on and from the 6th October 1930. The subjects coming before the Committee are Mileage Coupons for mercantile firms, Free Allowance on Luggage, Rate for Card Cans in parts for mill use, Rate for Caustic Coke, Rate for Confectionery by passenger train, etc. In case you have not received these papers from the Association and if you are anxious to express your views on these questions, I would request you to approach the General Secretary, Indian Railway Conference Association, 15, Thornhill Road, Allahabad, for a copy of the papers in connection with the forthcoming Meeting of the Commercial Committee.

No. T-97-3, dated 3rd September 1930, from the Indian Railway Conference Association to Chamber.

I am directed to forward, for your information, particulars of subjects which will be discussed at the next meeting of the Commercial Committee, which will be held on and from Monday, the

6th October 1930, and am to request that you will favour me with the views of your Chamber on the proposal. I am to say that it will not be possible to place your views before the Commercial Committee unless a reply is received before the 25th instant.

PARTICULARS OF SUBJECTS TO BE DISCUSSED AT THE OCTOBER MEETING OF THE COMMERCIAL COMMITTEE FOR INTERCHANGE.

1. Subject—Rule 87 of Coaching Tariff No. 7 Mileage Coupons for Mercantile Firm.

A proposal by the Chief Commercial Manager, E. I. Railway, that Mileage Coupons books for Mercantile Firms which are now issued in one book of 3,000 miles of journey containing the number of forms stated below, should in future be issued also in 2 books of 1,500 miles of journey each so that two representatives of a Firm may use the books, will be considered :—

One book containing	*One book containing*
480 coupons of 6 miles each	.. 28 coupons of 50 miles each.
120 ,, ,, 1 mile each	.. 20 ,, ,, 25 ,, ,,
	50 ,, ,, 10 ,, ,,
	100 ,, ,, 5 ,, ,,
	100 ,, ,, 1 mile each.

2. Subject—Rule 108 of Coaching Tariff No. 7—Free allowance on luggage (Re: Articles not accepted as luggage).

The following proposal from the General Traffic Manager, B. B. & C. I. Railway, will be considered :—

> Under Rule 108 of Coaching Tariff No. 7, passengers are entitled to carry free a certain quantity of luggage, and as the term " luggage " is not defined in the General Rules, several Railways have published the names of articles which are not to be accepted for carriage as luggage. There is, however, no uniformity in the lists of articles published by individual railways with the result that through passengers are often denied free allowance on certain articles because the intermediate or destination railway is not liberal in its interpretation of the term " luggage " or because the booking railways' interpretation of the term " luggage " is rigid.

In order to remove this reasonable grievance which passengers are subject to, I consider a standard list of articles which are not to be accepted as luggage on any railway should be notified and I shall therefore be glad if you will place before the Commercial Committee for Interchange a proposal for the introduction of the following as Rule 107 A :—

Articles not accepted as luggage.

The following articles are not booked as luggage :—

Offensive articles, such as wet skins, hides, etc.

Explosives, dangerous and inflammable articles.

Bulky articles of any description which the railway may deem it inconvenient to convey as luggage.

Packages containing oil, grease, ghee, paint, etc., which might by contact, breakage or leakage, damage other articles.

Bicycles.

3. Subject—Rule 158 of Coaching Tariff No. 7—Conveyance of calves, pigs, sheep and goats.

The following proposal from the Commercial Manager, E. B. Railway, will be considered :—

It is noticed that the height limit 2½ feet appearing in Rule 158 (*a*) has not been reproduced in rules 158 (*b*) (i) and (ii). It seems that the height limit of 2½ feet in Rule 158 (*a*) is imposed on account of restriction of space in brake vans. But seeing that in Rule 151 (*c*) (ii) a height limit of 3′-6″ at the shoulder is laid down for determining whether calves may be carried free with the parent animal, or charged as full grown animals, I think that this height limit of 3′-6″ should also be introduced in Rules 158 (*b*) (i) and (ii), to avoid the possibility of full grown animals being tendered as calves.

2. I also suggest that a clause regarding prevention of overcrowding, worded as follows, be introduced in Rules 158 (*b*) (i) and (ii) :—

The numbers of sheep, goats, pigs and calves mentioned in this rule are maxima, and on no account must the

animals be overcrowded in the wagon. If the maximum of $\frac{70*}{50\dagger}$ sheep or goats, $\frac{50*}{35\dagger}$ pigs, or $\frac{20*}{15\dagger}$ calves, cannot be loaded in the wagon supplied without overcrowding, only such number should be loaded as will not result in overcrowding.

3. I further suggest that Rule 158 (*a*), which deals solely with the carriage of these animals in brake vans or luggage vans, should be separately numbered from Rule 158 (*b*) (i) and (ii), as these two latter rules deal with the carriage of these animals under different conditions, *i.e.*, in wagon loads.

4. It is suggested that Rule 158 (*b*) (i) and (ii) be amended to read as under :—

158 (*b*) (i). *Calves, sheep, goats and pigs over the Broad Gauge.*—Calves not exceeding 3'-6" in height at the shoulder, sheep, goats and pigs, exceeding three, but not exceeding 20 calves, 70 sheep or goats, or 50 pigs when carried in separate vehicle are charged 6 annas per four wheeled vehicle per mile at owner's risk subject to a minimum charge of Rs. 10 per vehicle. The Railway risk rate is 25 per cent., above the owner's risk rate. The numbers of calves, sheep, goats and pigs laid down in this rule are maxima, and on no account must the animals be overcrowded in the wagon. If the maximum number of animals laid down herein, cannot be loaded in the wagon supplied without overcrowding, only such number should be loaded as will not result in overcrowding. One attendant will be carried free in the same vehicle with the animals. Extra attendants will be charged third class fares.

(ii) *Calves, sheep, goats and pigs over the Metre or Narrow Gauge.*—Calves not exceeding 3'-6" in height at the shoulder, sheep, goats and pigs exceeding three, but not exceeding 15 calves, 50 sheep or goats, or 35

*For Board Gauge Rule 158 (b) (i).

† For Metre or Narrow Gauge Rule 158 (b) (*ii*).

pigs, when carried in separate vehicles are charged 5 annas per four wheeled vehicle per mile at owner's risk, subject to a minimum charge of Rs. 10 per vehicle. The Railway risk rate is 25 per cent. above the owner's risk rate. The numbers of calves, sheep, goats and pigs laid down in this rule are maxima, and on no account must the animals be overcrowded in the wagon. If the maximum number of animals laid down herein, cannot be loaded in the wagon supplied without overcrowding, only such number should be loaded as will not result in overcrowding. One attendant will be carried free in the same vehicle with the animals. Extra attendants will be charged third class fares.

4. Subject—Rate for card cans in part for Mills use.

The following proposal from the Chief Traffic Manager, Great Indian Peninsula Railway, will be considered.

"Card cans" were charged as "Mill stores", but since the latter entry has been deleted, it has become necessary to fix a classification for this commodity.

2. "Card cans" are imported and used for carding purposes in the textile mills. They are manufactured from tinned steel or steel with plain or corrugated bodies or from bodies of fibre and are provided with metal plate bottoms. The component parts of these cans are riveted together at the mill. After cotton is cleaned, combed and carded, it is collected in these cans and removed to the spinning section. The cost of each can complete in parts is Rs. 2-3-0. An *illustration of a "card can" is also attached herewith.

3. I consider the appropriate classification for "card cans" should be the same as previously applied to "mill stores", and I shall be glad if you will please place the following proposals before the next meeting of the Commercial Committee for Interchange :—

"Card cans" should be charged at 8th class R. R. and 6th class O. R.

5. Subject—Rate for Caustic Coke.

The following proposal from the Chief Transportation Superintendent and Traffic Manager, M. S. M. Railway, will be considered :—

Caustic coke which is not classified is booked to Kolar Gold Field on this Railway and charged at 8th class R. R. under " Chemicals (not explosives) N. O. C." Enquiries show that the cost at Madras is Rs. 70 per cwt. and it is used with various kinds of breathing apparatus to prevent suffocation in case of accidents in mines.

On a reference to certain Foreign Railways whether they would agree to charge this stuff likewise the G. I. P., N. S., S. I. and E. B. Railways agree with us but the G. I. P. and N. S. Railways suggest a reference to the Commercial Committee.

I shall, therefore, be much obliged if you will kindly place a proposal before the Commercial Committee for Interchange to classify caustic coke at 8 R.R.

6. Subject—Rate for Merry-go-rounds.

The following proposal from the Chief Commercial Manager, N. W. Railway, will be considered :—

A reference was made to the principal Railways as to the correct classification for Merry-go-rounds and the views expressed by them are given below :—

G. I. P. Railway	As theatrical kit.
E. I. Railway	As circus kit.
B. & N. W. Railway ..	As wooden articles N. O. C.
B. N. Railway	Consider they should be charged as machinery.
B. B. & C. I. Railway and E. B. Railway ..	Consider they should be charged as circus kit.

In view of the diversity of opinion in the matter I suggest that the question of their classification be considered.

7. Subject—Rate for Asphilt, Mexphalate, Spramax, Asphaltic Road Oil, Colas.

The following proposal from the Traffic Manager, A. B. Railway, will be considered :—

Bitumen is classified—4 R R and 2 O R in the General Classification of Goods. There are other products such as, Mexphalte, Spramex, Asphaltic Road Oil and Colas which are not classified and it is not possible for the staff to know under which head these will come.

I propose that the articles should be separately classified and shown as follows :—

Name of Commodities.	Description.	Class.	
		R.R.	O.R.
1. Asphalt 2. Mexphalte 3. Spramex	All these are straight bitumens, *i.e.*, the solid residues of Asphaltic crude oils. Not dangerous used for road making.	4	2
4. Asphaltic Road Oil.	A mixture of heavy oil and Bitumen having a flashing point of about 290°F. Used for application to roads giving an asphalt surface without heating.	4	2
5. Colas	This is an emulsion of Bitumen produced by a patented process. Non-dangerous. Mixed with Road metal to leave an Asphalt surface.	4	2

Will you please place the matter before the Commercial Committee for Interchange for consideration. ?

I enclose a copy of letter No. 5942-R1 of 4th July 1930, received from the Manager, The Burmah Oil Coy., Ltd., Chittagong, on this subject for information :—

"Copy of letter No. 5942 RI, dated 4th July 1930, from the Manager, The Burmah Oil Company, Limited, Chittagong to the Traffic Manager, Commercial, Assam Bengal Railway.

We are in receipt of your letter No. RQ. 161 of 2nd instant.

(i) Badarpure Asphalt or Bitumen ; (ii) Mexphalt and (iii) Spramex

All of these are "Straight" bitumens, *i.e.*, the solid residues of asphaltic crude oils. They have no volatile constituents and are not in any way dangerous. They are used for road making, by being heated up to 350°F and applied by various methods to the metal aggregate. Casual prices for small quantities are as under :—

Badarpur Bitumen Rs. 90 per ton f. o. r. Panchgram.

Mexphalte and Spramex Rs. 128 per ton f. o. r. Chittagong or Calcutta.

Both these prices include containers, and the latter varies down to Rs. 105 per ton according to the size of order.

(iv) *Asphaltic Road Oil.*—This has already been described. The price varies from Rs. 110 per ton down to Rs. 96 per ton f. o. r. Panchgram, including containers, according to size of orders. It is used for application to roads giving an asphalt surface without heating.

Colas.—This is an emulsion of bitumen, produced by a patented process. It is non-dangerous, being about 50 per cent. water until the emulsion is broken by contact with the road metal, when the water drains off leaving an asphalt surface. Important quantities have already been used by the Assam P. W. D. but have come in *via* Calcutta. The price varies from Rs. 158, down to Rs. 133 f. o. r. Chittagong or Calcutta, including containers, according to quantity.

8. Subject—Rate for Confectionery by passenger train.

The following proposal from the Senior Trade Commissioner in India will be considered :—

I am directed by the Board of Trade to submit for the consideration of the Indian Railway Conference Association the attached memorandum which has been received from the British Manufacturing Confectioners' Export Union on the subject of the rates charged on chocolate and confectionary.

You will note from this representation that these perishable goods are now assessed at the ordinary parcels rate if carried by passenger train and at the classified rate (6th class—oilman's stores, etc.) if carried by goods train. On the other hand, they are informed that Indian sweets and confectionery of a similar type are classified as perishable goods and are carried at half parcels rates by passenger trains. The Union, therefore, submit that imported confectionery, packed in any manner, is entitled to be treated as perishable and they hope that the Association may see its way to accord a similar privilege to that given to local confectionery, *i.e.*, the carriage by passenger train at half goods rates.

MEMORANDUM.

The Committee of the Export Union, which represents all the principal manufacturers of confectionery in this country wishes to bring to your attention the question of carriage up-country in India of chocolate and confectionery goods.

Complaints of loss from damage by heat to consignments sent by goods train are serious and increasing. As these goods are usually sent forward in iron cars the risk from excessive heat will be realized, especially on long journeys which may run into 1,000 miles, taking probably two or three weeks, during which the goods may be standing about for considerable periods on sidings, etc.

Chocolate and confectionery, on account of their composition are perishable products in the sense that they cannot stand up to great heat. If the temperature conditions are excessive they become completely spoiled and unsaleable.

No alteration in methods of packing can prevent this, as no kind of packing could protect such goods in a journey by goods train in iron cars. The British manufacturers of confectionery it may be pointed out, have a wide experience in packing for tropical climates and have given the subject considerable attention. As a matter of practice, goods for up-country from Indian Ports are packed in tin or zinc, and where smaller packages are sent the lining of the case is invariably tin or zinc.

It has been usual for firms to insure against heat damage, but so serious is the risk that Insurance Companies have progressively increased their premiums until they have now reached a prohibitive figure.

It would seem that these increases can be justified, inasmuch as one Insurance Company reports that claims on Indian policies issued in 1929 had already up to July 1st of that year amounted to over 400 per cent. of the premiums. On this account some companies decline to take the business at all.

These goods, it should be explained, will not bear the extra expense of sending by passenger train at ordinary rates. The difference between goods and passenger rates on a large shipment is very considerable. Two examples may be given showing the two rates on a small consignment only (one case of 82 lbs.)

	Goods Train.	*Passenger Train.*
From Karachi (per maund 82 lbs.)	Rs. 3-14-7	Rs. 7-12-0
From Bombay ,,	,, 4-8-6	,, 11-4-6.

(The distance from Bombay to Rawalpindi is 1,342 miles, and from Karachi to Rawalpindi 933 miles.)

It should be kept in mind that these goods have to bear heavy ocean freight, packing and other charges, in addition to a Customs duty of 30% *ad volorem*.

The Export Union is informed that the Indian Railways recognise the perishable nature of these goods, inasmuch as Indian sweets and confectionery are classified as perishable and are carried at half parcels rates by passenger trains.

As has been shown, it is quite impossible to devise a form of packing that will prevent confectionery goods from being ruined when subjected to the intense heat incidental to an up country, journey by goods train. It is submitted that imported confectionery, packed in any manner, is entitled to be treated as perishable, and the Export Union urges that it should not be denied the advantages given to that class, *i.e.*, carriage by passenger train at half goods rates.

No. 3219, dated 25th September 1930, from Chamber to the Railway Conference Association.

My Committee are now considering the Agenda before the next meeting of the Commercial Committee of your Association sent with your letter of the 3rd instant. They find that their observations, if any, are expected by the 26th. As however the Commercial Committee is to meet only on the 6th October, my Committee hope that there will be no difficulty in placing their views before the meeting even if the same be received a couple of days late. I need not add that every endeavour will be made to send their views as early as possible.

No. 3243, dated 27th September 1930, from Chamber to the Railway Conference Association.

With reference to your letter of the 3rd instant, No. T-97/3, and in continuation of my letter No. 3219 of the 25th, I beg to submit hereby the views of my Committee with regard to some of the points which are on the Agenda of the forthcoming meeting of the Commercial Committee of your Association.

(1) Rule 87 of Coaching Tariff No. 7—Mileage Coupons for Mercantile Firms.

My Committee approve of the suggestion made, and think that it will be greatly useful to the commercial community.

(2) Rule 108 of Coaching Tariff No. 7—Free allowance on luggage (Re : articles not accepted as luggage).

My Committee welcome the suggestion that rules with regard to luggage should be standardised on all the Railways. They beg to suggest, however, that the Commercial Committee should utilise this opportunity to make some rules applicable to all the railways with regard to certain free allowance of luggage for 3rd class passengers. Third class passengers are allowed to carry a certain amount of luggage free. This does not however include even such necessities of life in a tropical climate like water jugs. The paucity of amenities of life on railway stations and even in railway carriages as is the case with railways in Europe, for instance, make it advisable that a tiffin basket and a small bedding should be allowed free for third class passengers, as they are already for 1st and 2nd class passengers. My Committee suggest, therefore, that a water jug, a tiffin basket and a small bedding should be allowed as free luggage for third class passengers over and above the allowance at present given to them.

(6) Rate for Merry-go-rounds.

My Committee are of opinion that merry-go-rounds should be considered as circus kit.

(8) Rate for confectionary by passenger train.

The principle adopted generally by the railway systems with regard to rates for different articles is that articles which can bear a higher amount of freight should be placed in a higher classification. Chocolates and the like articles coming from Europe are, more or less, articles of luxury and should therefore be charged a higher rate. When they come to India they are already for a month or two in transit, and the question of any damage to them by only a few days more generally does not arise. Indian confectionery is unlike Chocolates and the like articles in that it is more liable to decomposition and deterioration in transit both on account of the inadequate packing and the method and process of making the same. Under the circumstances my Committee suggest that the rates charged on Chocolates and confectionery coming from outside should not be modified.

No. T. 97-A-7, dated 9th October 1930, from the Indian Railway Conference Association, to Chamber.

With regard to your proposal in connection with free alloance on luggage on third class passengers, I would refer you to Rule 108(*b*) of the Indian Railways' Coaching Tariff No. 7, from which it will be seen that third class passengers are allowed to carry with them bedding, walking sticks, umbrellas and such articles of food as may be required on the journey, free of charge without weighment.

APPENDIX III.

RAILWAYS AND PROMOTION OF TRADE.

No. C. P. O. 58-G., dated 1st November 1930, from W. T. Aldous, Commercial Officer, on Special duty with the Indian State Railways, Central Publicity Bereau, to Chamber.

I beg to inform you that the Railway Board have placed me on special duty for six months with the Central Publicity Bureau, and have instructed me to investigate in what ways this Bureau and/or Publicty Officers on railways can assist in promoting trade. With this object I am desirious of getting into touch with any firms interested in extending their business and of obtaining their views as to the best means by which railways could co-operate with them in the matter of encouraging sales and of increasing production.

In this connection the following points appear to be worthy of attention :—

(*1*) The possibility of railways co-operating with firms in the distribution of pamphlets or leaflets advertising their goods in towns and villages.

(2) The possibility of organising campaigns of an experimental nature in selected areas, in which the staff of such firms would co-operate with railway staff in exhibiting and pushing the sale of their products. Our experience has shown that personal canvassing of this nature is the most efficacious method of extending sales in the mofussil. Last year a large number of third class tours by special train were organised by

the B. B. & C. I. Railway in this way, the earnings on the additional traffic carried amounting to nearly two lakhs of rupees. It would appear feasible to adopt similar methods in extending the sale of goods, or, at any rate, it should prove worth a trial. The expenditure on such campaigns would not be unduly heavy, as it is confined to the pay and expenses of the staff employed and to the small amount of advertising material used. It is suggested that such campaigns should, in the first instance, be confined to pushing the sale of articles within the means of the poorer classes, such as—sugar in place of jagree or gur, kerosene oil in place of cruder forms, kerosene oil stoves in place of other forms of fuel, piece goods, etc.

(3) Your attention is invited to the remarkable success of the Bazaar or Trade Demonstration Special Trains recently organised on certain railways, and the invaluable medium these trains provide for adveritsing. The charge for a tour of about 34 days, visiting thirty stations, would amount to about Rs. 900 per unit, consisting of half a bogie coach, plus the fares of attendants and servants. It is now proposed to organise such tours on an All India basis, lasting about nine months and traversing the greater part of India. The advantage of such an arrangement is that firms could carry out an advertising campaign over a much wider area without having to employ more than one set of staff or to provide more than one set of exhibits.

(4) Your attention is also invited to the valuable publicity medium offered by the cinema cars touring over railways. These cars, by means of films and lantern slides, reach a vast proportion of the village population who flock in thousands to the exhibitions. They can be most usefully employed in advertising the various commodities appealing to these classes.

It will be observed that the Railway Board desire that railways should co-operate generally in the encouragement of trade in India, and that they should provide more assistance to business

interests in this matter than has hitherto been contemplated. Our railways employ a large staff, who are in close contact with the public all over India, and it seems reasonable to suppose that considerable assistance could be afforded by them in the promotion of trade. The present depression existing in this country could apparently best be overcome by a concerted effort on the part of all those interested.

I should greatly value your views on the points raised here, together with any other suggestions you may have to offer on the subject. I should also like to get into touch with a few firms who would be interested in the matter, and I should be grateful if you could circulate this letter to any firms you think might care to join in any experiments carried out. It will be understood that, as the matter is at present purely in the experimental stage, we could only negotiate with a few selected firms to commence with. As an alternative to circulating this letter, perhaps you could advice me of the names of the firms you would suggest, so that I can get into touch with them direct.

It may be noted that the question of any change in railway rates does not come within the scope of this investigation, as it is a matter that can best be dealt with by railway administrations themselves. The enquiry is confined to investigating the possibility of stimulating trade by methods of advertisement suited to this country, and your views on this question would be greatly valued.

If possible I will call on you in the course of this investigation and discuss the matter in detail. In the meantime I shall be glad to hear from you at your earliest convenience.

No. 3798, dated 1st December 1930, from Chamber to Mr. Aldous.

I am directed to refer to your letter No. C. P. O. 58–G, of the 1st November 1930, in connection with co-operation of Railways in the promotion of trade.

My Committee have considered the suggestions made in your letter regarding the ways in which the railways can assist in the promotion of trade, and they approve of these suggestions. My Committee are, however, of opinion that if there is to be any co-operation between the railways and the business community as desired in your suggestions, there should be a great change in

the treatment which is accorded at present to the business men and their assistants by railway officials, as without this change it would be difficult for businessmen to avail themselves of the facilities offered by the railways.

My Committee would be glad to meet you when you propose to visit Bombay. You will, therefore, kindly let me know when you intend to do so.

APPENDIX IV.

TERMINAL GOODS TARIFF FACILITIES AT BOMBAY.

No. 1330-P., dated 15th October 1930, from Railway Board to Chamber.

With reference to this office letter No. 1330-P of 15th July 1925, I am directed to say that the Railway Board have, after careful consideration, accepted the recommendations made by the Great Indian Peninsula, Bombay, Baroda and Central India and the Bombay Port Trust Railway Administrations on Mr. Lloyd Jones's proposals in regard to the provision of terminal goods traffic facilities at Bombay. Briefly put these recommendations are :—

Proposals of Mr. Lloyd Jones.	Recommendations of the Bombay, Baroda and Central India Great Indian Peninsula and Bombay Port Trust Railways.
(1) To concentrate all sorting of wagons in a single yard at Kurla.	We do not consider the provision of a Central yard at Kurla is the solution of the traffic problem in Bombay, nor would the savings justify the Capital expenditure involved. The Great Indian Peninsula Railway have put forward a scheme for the construction of a Down yard at Kurla which will greatly improve traffic working, and we recommend that the construction of this yard should be taken in hand as soon as possible.
(2) To form a Central Control or Operating Division.	We do not recommend the formation of a Bombay Goods Division but consider that the desired co-ordina-

Proposals of Mr. Lloyd Jones.	Recommendations of the Bombay, Baroda and Central India, Great Indian Peninsula and Bombay Port Trust Railways.
(3) To distribute the total cost of working the goods traffic equitably between each of the Railways and the Port Trust.	tion would be attained by the appointment of a Standing Committee of Administrative officers of the Transportation and Commercial Departments of the three Railways. The functions of this Committee would be to ensure closer co-operation between the three Administrations with a view to co-ordinating and improving the movement of traffic and, in cases in which larger issues were involved to put forward such recommendations as they had to make for consideration by the Heads of the three Administrations. This Committee to be assisted by a Sub-committee of Executive Officers. These Committees would not merely assist to economise effort, but would also provide a means whereby future developments could best he considered with regard to efficient handling of the Bombay railborne traffic as a whole. We therefore recommend the appointment of these Committees.
(4) To economise movements by using the wagons indiscriminately.	We agree that steps should be taken to introduce the indiscriminate use of pooled wagons. The Port Trust Railway are already in communication with the Director of Wagon Interchange on this subject.
(5) To concentrate wagon examination in one yard.	We recommend that after the introduction of the indiscriminate use of wagons, an attempt should be made to bring in neutral examination at Wadala and Dadar.

No. 3689, dated 19th November 1930, from Chamber to Railway Board.

I am directed to acknowledge receipt of your letter No. 1330-P, dated the 15th October 1930, and to state that my Committee are in agreement with the recommendations of the Railways on the proposals of Mr. Lloyd Jones on the subject of terminal goods facilities at Bombay.

APPENDIX V.

Bombay Sind Railway—Interview with Mr. A. Dale Green. Genesis of the Bombay-Sind Connection.

A note prepared by the Manager of the Jodhpur Railway.

The Sukkur Barrage will so alter the agricultural conditions that the supply centres of Kathiawar, Gujarat and a large portion of the Bombay Presidency will, assuming adequate railway connections between these areas, be entirely changed. These changes would bring a large population into direct touch with food producing districts, and thus tend to cheapen the necessities of life improve the lot of the people and give an impetus to the development of internal trade. The primary object of this project then is to improve railway communications between the producing area, *viz.*, Sukkar Barrage, and the consuming area, *viz.*, Kathiawar, Gujarat and the Bombay Presidency. To effect this improvement in railway communications there are two schemes :—

(1) The Government of India scheme of constructing a broad guage railway from Badin to Viramgam via Nagar-Parkar and Suigam.

The distance from Hyderabad to Ahmedabad on this scheme is 372 miles. The distance at present is 571 miles. The reduction in length is, therefore, 199 miles. The anticipated cost of constructing this line from Badin to Viramgam is Rs. 4½ crores (*vide* Mr. Dale Green's information to Karachi Chamber of Commerce) and is estimated to yield a return of 5·5 per cent. With this broad gauge proposal is allied the proposal to convert : (1) the Jodhpur-Hyderabad Railway from Hyderabad to Chhor, 89 miles ; (2) the Mirpurkhas-Khudro line, 50 miles and (3) the Mirpurkhas-Judo line, 50 miles, to broad gauge. The estimated cost of these conversions (as given by the

Government of India *vide* Messrs. Mafflin and Dale Green Reports on the Agra-Karachi broad gauge proposal) is Rs. 1·94 crores. The total cost of the Government of India proposal is, therefore, Rs. 6½ crores.

Jodhpur Durbar's Proposal.

To let the Jodhpur-Hyderabad railway from Hyderabad to Chhor, as also the Mirpurkhas-Khudro and Mirpurkhas-Judo branches remain meter gauge and to construct a meter-gauge line from Barmer to Palanpur. The distance on this route between Hyderabad to Ahmedabad is only 40 miles longer than that of the Government of India's Broad gauge proposal. The anticipated cost of this scheme (as given by Mr. Dale Green) is Rs. 1½ crores, of which approximately only Rs. 50 lakhs would be debited to the Government of India, the balance being financed by the Jodhpur Durbar. The difference then to the rate-payers of British India is approximately Rs. 6 crores. The Government of India attach no importance to their Broad-gauge proposal from the point of view of local development. The Railway Board have stated that the success of the Bombay-Sind connection as a paying concern, depends entirely on the through traffic, *i.e.*, the traffic from the producing area to the consuming area. In this respect, then, the Government of India scheme running, as it does, for a considerable distance on the outskirts of the Runn of Cutch, presents no advantages over that proposed by the Jodhpur Durbar.

CAPACITY OF THE METER GAUGE.

Before considering the meter gauge proposal, it is necessary to determine whether the capacity of such a line will be able to deal expeditiously and efficiently with the traffic offering or likely to offer. This has been carefully investigated and it has been determined that in carrying this traffic only 60 per cent. of the potential capacity would be utilised. In this connection I would quote an extract from Messrs. Mafflin and Dale Green's report on the Ahmedabad-Karachi broad gauge scheme. This reads as under :—

> 'It is evident, therefore, that so far as the Jodhpur Railway is concerned, there is not only a wide margin of capacity now but there are possibilities of indefinite expansions

at a cost which will be much less than the cost of building abroad gauge line."

There is, therefore, no doubt that the capacity of the meter gauge railway will be adequate for dealing expeditiously and efficiently with the traffic offering or likely to offer.

TIME IN TRANSIT.

The time taken from Ahmedabad to Hyderabad under the present conditions will, *via* Bombay-Palanpur project, be reduced by approximately 11 hours; on the broad gauge proposal this reduction would be reduced by approximately another 4 hours.

TRANSHIPMENT.

Transhipment in any and every railway project is an undesirable feature. In this particular case, the area to be fed by the "producing area" is served partly by broad gauge lines and partly by meter gauge railways. Whether the railways serving the "producing area" are either broad gauge or meter gauge, transhipment of a portion of the produce taken from the producing area is inevitable. It is estimated that the transhipment charges incurred on the meter gauge proposal will not exceed Rs. 1 lakh per year. Any difference, then, in transhipment charges cannot possibly begin to counter-balance the interest charges on the difference in capital costs, between the two schemes.

An examination of the Agra-Karachi broad gauge scheme clearly shows (*vide* Messrs. Mafflin and Dale Green's report) that transhipment neither diverted the traffic nor acted as a deterrent to the growth of traffic. Both the projects suggested by the Government of India and the Jodhpur Durbar are competitors with the sea route and, therefore, affect the Port of Bombay. The following table gives the quantity of wheat imported into Bombay by sea from Karachi:—

Year.	Maunds.
1923	.. 361,348
1924	.. 88,326
1925	.. 413,338
1926	.. 945,900
1927	.. 765,420

The distance from Karachi to Ahmedabad *via* the new route is 481 miles, the distance from Bombay to Ahmedabad is 309 miles. Owing to this vast divergence in mileage, it is not anticipated that Karachi will compete seriously with Bombay *re*: imports with the Ahmedabad area.

MINUTES OF THE INTERVIEW WITH MR. DALE GREEN.

A Special Meeting of the Committee was held on Tuesday, the 18th March 1930, at 12 noon (S.T.) to meet Mr. A. Dale Green, Officer on Special Duty with the Railway Board *re*: Bombay-Sind Connection.

Mr. Green informed the Committee that the scheme of the Broad Gauge line *via* Badin, Nagar-Parkar and Suigan, was estimated to cost Rs. 4½ crores. This estimate included all the incidental expenses such as additional rolling stock, quarters at station, and also all expenses that would have to be incurred by the construction of the line.

The alternative proposal was that of the Jodhpur Durbar to let the Jodhpur-Hyderabad railway from Hyderabad to Chhor, as also the Mirpurkhas-Khudro and Mirpurkhas-Judo branches remain meter gauge and to construct a connecting meter gauge line from Barmer to Palanpur. Mr. Green was not in a position to give the amount that this scheme might be estimated to cost.

He wanted the Committee's opinion as to which of the two schemes they would prefer.

To help them to consider the matter he gave the following information :—

The transhipment consequent upon the Jodhpur Railways scheme would cost annually, at Rs. 20 a 1,000 maunds, which figure was itself considered to be too low in certain quarters, Rs. 2,46,000, which if capitalised at 5 % is Rs. 49,32,000 or would require gross earnings of Rs. 5,75,400 if net earnings were 30 % of gross earnings.

Regarding the traffic estimated according to his calculations the total traffic both ways, on the Broad Gauge line would be 1,24,08,835 maunds distributed as under :—

To Bombay	.. .. ..	2,334,351 mds.
To Ahmedabad	.. ..	3,449,808 „
To All other places	.. ..	6,624,776 „

If a suitable Broad Gauge line was not built all Bombay traffic and 7 per cent. of all other traffic would go by sea, *i.e.*,

By sea	7,071,683
	5,437,152

that is to say, the meter gauge line would not be able to 'hold' 7,071,683 maunds. Again, calculating at a rate of ·28 pies per maund Bombay-Sind Broad-Gauge line would bring in Rs. 81 lakhs more than the alternative scheme per annum.

Extracts from letter, dated 7th April 1930 from Mr. Dale Green, to the President of the Chamber :—

* * * My estimate of the cost of the mixed gauge scheme in round figures is—

doubling and other expenses	Palanpur Ahmedabad	100 lakhs.
,, ,,	,, Hyderabad Chhor .	100 ,,
Barmer Palanpur New Line (130 miles) ..	..	100 ,,
Then there is the capitalised cost of transhipments		49 ,,
plus the cost of rehabilitating Chhor to Barmer		?

I find that most meter gauge lines that carry a heavy traffic cost over a lakh a mile, so it is very doubtful which of the two schemes will be the cheaper in actual costs, though there is no doubt which would be the most useful to the travelling public and for trade.

No. 980, dated 13th May 1930, from Chamber to Railway Board.

The Committee of this Chamber have been considering the question of a direct Bombay-Sind Railway connection recently. In this connection there are two alternative proposals, *viz.* (1) the proposal of a direct broad gauge line *via* Badin, Nagar-Parkar and Suegam, and (2) the proposal of the Jodhpur Durbar to let the Jodhpur-Hyderabad railway from Hyderabad to Chhor, as also the Mirpurkhas-Khudro and Mirpurkhas-Judo branches remain meter gauge and to construct a connecting meter gauge line from Barmer to Palanpur. With regard to these schemes my Committee have received figures and statistics from Mr. Dale Green, Officer on

Special Duty with the Railway Board, as also from Major Gordon representing the Jodhpur Durbar. Mr. Dale Green's estimate of the cost of the Jodhpur scheme is as follows :—

	Rs.
Doubling and other expenses Palanpur Ahmedabad ..	100 lakhs
,, ,, ,, Hyderabad Chhor . .	100 ,,
Barmer Palanpur New Line (130 miles)	130 ,,
Then there is the capitalised cost of transhipment ..	49 ,,
plus the cost of rehabiliating Chhor to Barmer ..	?

As against this Major Gordon representing the Jodhpur Durbar says that the Government of India will have only to spend Rs. 50 lakhs if the other project is taken on hand as the Jodhpur Durbar will spend the rest of the amount. My Committee, before they can pronounce their opinion on the comparative merits of one of the alternative proposals, would like to be placed in possession of all the facts relating to the two schemes. The Sind-Bombay direct connection is a very important project and deserves a careful consideration from all points of view, specially financial and commercial. My Committee will, therefore, be much obliged if you will be kind enough to send them whatever statistics you may have got showing the *pros* and *cons* with regard to both the alternative proposals.

No. 378-D (B), dated 27th May 1930, from Railway Board to Chamber.

With reference to your letter No. 980, dated the 13th May 1930, I am directed to invite your attention to Railway Board's letter No. 378-P(B), dated the 13th March 1930 and to say that the Board regret that they cannot supply you with up to date information until the final Location Survey of the Badin-Viramgam route has been carried out.

No. 1176, dated 5th June 1930, from Chamber to Railway Board.

I beg to acknowledge receipt of your office No. 378-P (B), dated the 27th May 1930, and note that the Railway Board are not in a position to supply my Committee with further information

until the final location survey has been carried out. In the absence of full information as to comparative costs, etc., my Committee are unable to express any opinion on the comparative merits of the two alternative proposals of connecting Bombay with Sind. They will be glad to consider this matter further when full particulars of both the schemes are made available to them.

APPENDIX VI.

THE G. I. P. RAILWAY STRIKE.

No. 411, dated 25th February 1930, from Chamber to the Agent, G. I. P. Railway.

The Committee of this Chamber have been following closely the progress of the strike on the G. I. P. Railway since it was declared a few days back. They did not consider it necessary however, to address you earlier as they naturally did not want to disturb the authorities while they were trying to cope with the situation as it then arose. My Committee have, however, been receiving several letters of complaint from different members with regard to non-acceptance of their goods lying at different stations for transport. This has created a grave situation for both trade and industries and the local trade also has been dislocated. It appears moreover that the strike does not still show any signs of either fizzling out or weakening and if matters go as they have been, the continuance of the strike will be a serious menace to trade and industries.

My Committee have no doubt that the Railway authorities here and the Railway Board must be putting forward all their means to bring an end to the strike, which is as injurious to the Railway Company as to the general trade. My Committee, however, would like to urge that a Conciliation Board under the Trade Disputes Act may well be set up in order that such an impartial Tribunal may judge the merits of the dispute between the Railway authorities and the Railway Union and try to bring about a settlement which is so very badly needed in the interest of all. You will kindly let my Committee know if any steps are being taken in this connection.

No. Con. 311, dated 27th February 1930, from the Agent, G. I. P. Railway to Chamber.

I am much obliged for your letter No. 411, dated the 25th February 1930.

2. It is much regretted that owing to the strike there has been some disorganisation of goods traffic, but the situation is improving day by day, a large number of strikers have already been replaced and the staff newly engaged are dealing with accumulations. I expect that in a short time all our services will be practically normal.

3. No steps are being taken by this Administration to arrange for a Conciliation Board.

APPENDIX VII.

NOMINATION OF A REPRESENTATIVE OF THE CHAMBER ON THE G. I. P. RAILWAY LOCAL ADVISORY COMMITTEE.

No. 12527 K. 295, dated 7th May 1930, from the G. I. P. Railway Local Advisory Committee to Chamber.

Under Rule 9 of the Rules and Constitution of the above-mentioned Committee, the tenure of office of the existing members of the Committee will expire with the meeting of 8th May 1930, and it will be necessary to elect a new committee to serve for a period of two years with effect from the meeting for the month of June 1930.

2. I shall be obliged if you will kindly arrange to elect a member to represent your Chamber on the new Committee and advise me early.

No. 994, dated 17th May 1930, from Chamber to the G. I. P. Railway Local Advisory Committee.

With reference to your letter No. 12527 K295 of the 9th instant my Committee have re-nominated Hon'ble Sir Phiroze Sethna as their representative on the Advisory Committee for a further term of two years.

B. SHIPPING.

APPENDIX VIII.

REPORT OF THE CONFERENCE ON THE OPERATION OF DOMINION LEGISLATION AND MERCHANT SHIPPING LEGISLATION 1929.

From Chamber to the Government of India, Commerce Department, No. 767, dated 4th April 1930.

I am directed by the Committee of this Chamber to request you to invite the views of the Indian Commercial organisations on the issues raised in the Report of the Conference on the Operation of Dominion Legislation and Merchant Shipping Legislation, 1929. In this connection, their attention has been drawn to the interpellations raised in the Legislative Assembly on the 27th February on the subject. The Hon'ble the Commerce Member suggested that as copies of the Report had been sent to commercial bodies, " they will not hesitate to communicate their opinions to the Government of India." This is in striking contrast to the usual procedure followed in inviting by letter the views of these bodies, whenever Government wanted to obtain their views. Even recently when Government invited the views of the public on the Report of the Load Line Committee, they did so by their letter No. 42-M. 1 (4)/29 of the 6th March, and did not rest content with merely sending a copy of the Report, leaving it to the commercial bodies to infer, whether or not Government expected their observations on the Report. My Committee, therefore, urge that Government will kindly address the public bodies inviting their views on the above Report.

No. 45-M. I-30, dated 4th June 1930, from the Government of India, Commerce Department to Chamber.

The recommendations made in the Report of the Conference on the Operation of Dominion Legislation and Merchant Shipping Legislation, will be considered by the Imperial Conference at its next meeting in September 1930. A copy of the Report referred to above was forwarded to you in February last, and I am to request that the Government of India may be furnished with the views of your Chamber on Part VI of the Report which deals with Merchant Shipping Legislation.

2. I am also to request that the reply to this letter may be sent not later than the 15th July 1930.

No. 3100, dated 28th August 1930, from Chamber to Government of India, Commerce Department.

With reference to your letter No. 45-M.I/30, of the 4th June 1930, I am directed by my Committee to send to you hereby their observations on Part VI of the report of the Conference on the Operation of Dominion Legislation and Merchants Shipping Legislation.

My Committee note with satisfaction the conclusion of this Conference that " as the position of India in these matters (Merchant Shipping Legislation) has always been to all intents and purposes identical with that of the Dominions, it is not anticipated that there would be any serious difficulty in applying the principles of our recommendations to India ". Hence my Committee take that ' there will no longer be any doubt as to the full and complete power of any Dominion Parliament to enact legislation in respect of merchant shipping, nor will Dominion laws be liable to be held inoperative on the ground of repugnancy to laws passed by the Parliament of the United Kingdom." The same is to be the case with regard to India and my Committee are pleased at the expression of opinion that the Conference does not anticipate any serious difficulty in the application of these principles to India. The Conference also makes the suggestion, which my Committee endorse approvingly that " the question of the proper method of so doing should be considered by His Majesty's Government in the United Kingdom and the Government of India," and hope that the Government of India will give effect to the recommendation at an early date ; and if there are any restrictions due to the present shipping legislation the same should be removed without any delay and if necessary early steps should be taken for getting the necessary legislation enacted for making the position of India identical with that of the Dominions in practice and not in theory as stated by the Conference.

My Committee consider it a fortuitous circumstance that the Report has been published on the eve of far-reaching constitutional changes in India and trust that, when the new Government of India Bill is framed, full opportunity will be taken to incorporate

therein powers which will enable the Indian Legislature of the future to function with the same powers as any other Dominion's Legislation on the British Commonwealth.

My Committee would now refer to the details of the various points raised in the Report.

REGISTRATION.

My Committee note the observation on page 28 that " there is no power in Section 735 to repeal certain of the provisions of Part-I, which provide the machinery for registration. Section 735 of the British Merchant Shipping Act, 1894, reads as under :—

> " (1) The Legislature of any British possession may by any Act or Ordinance, confirmed by Her Majesty in Council repeal, wholly or in part, any provisions of this Act (other than those of the Third Part thereof which relate to emigrant ships), relating to ships registered in that possession; but any such Act or Ordinance shall not take effect until the approval of Her Majesty has been proclaimed in the possession, or until such time thereafter as may be fixed by the Act or Ordinance for the purpose."

It is presumed that as this Section can apply to the provisions of the Act relating to ships registered in that Possession, the power cannot extend to the repeal of the registration part of the Act. This assumption has gained strength by the fact that the two important Dominions, which have separate legislation for shipping do not as yet think it necessary to make their own provisions for registration different from those provided by the British Merchant Shipping Act, 1894. The present position is, therefore, tantamount to the Dominion not having power to provide its own rules and regulations for registration of ships. This is hardly in keeping with the sovereign power now claimed by the Dominions. The bar, if any, to the creation of new Dominion registers, should be removed. The desirability of having a common set of qualifications for all Commonwealth ships is great that my Committee express a hope that it will be adopted and a certain uniformity is maintained in the Dominion.

Particularism may be allowed to operate beyond this and it can only be done by laying down a minimum standard for ownership, which should be common for all the ships in the Commonwealth thus providing a common status for ships recognised all over the Commonwealth in the same manner as British ships are recognised today. This will admit of Dominions laying down special conditions for particular trades or requirements, which will have to be adhered to by ships, desiring to operate in that particular sphere.

My Committee are, therefore, of opinion that each Dominion, including India, should have a separate registry for the ownership of ships operating under 2 sets of rules :—

(i) Providing the qualifications for ownership, which are common to all parts of the Commonwealth, and

(ii) Providing the special rules, which the Dominions and India may think proper to lay down in this connection.

In matters other than registry it is possible to hand over more power to the Dominions' Legislatures without any serious consequences and it is proposed that this power should be handed over as far as possible. For that purpose, for example, the standards of safety provide a subject wherein latitude may be given to the Dominions and uniformity maintained by pooling the information provided by each Dominion regarding the actions it has taken in this matter. My Committee, therefore, agree with the recommendation of the Report that " under the new position each part of the Commonwealth will be free to adopt its own standards of safety for its own ships and for all ships within its jurisdiction," it being understood that these standards of safety which have been made uniform by international conventions will be duly followed by all the Dominions.

MASTERS AND SEAMEN.

The present relations of the parties are governed by Part (2) of the Merchant Shipping Act, 1894. Section 265 of this Act reads thus :—

" Where in any matter relating to a ship or to a person belonging to a ship there appears to be a conflict of laws, then, if there is in this Part of the Act any provision on

the subject which is hereby expressly made to extend to that ship, the case shall be governed by that provision; but if there is no such provision, the case shall be governed by the law of the port at which the ship is registered."

Power under this head, however, will have to be largely delegated to the Dominions for the future to avoid conflict between British and Dominion Acts. Dominion Legislatures will have to be given power to regulate internal discipline and obedience of the crew in any manner they desire so far as the ships registered under their laws are concerned.

CERTIFICATES OF COMPETENCY.

My Committee consider it desirable that uniform qualifications should be insisted upon to enable men holding certificates of one part to obtain employment in another part of the Commonwealth.

PERSONNEL ON BOARD THE SHIP.

As regards distressed seamen, it is desirable that arrangements should be made for their repatriation to the country of their origin or to the port where they were signed on. In a majority of cases no doubt the port of signing on will be situated in the country of origin but there may be cases in which the two parts of the Commonwealth may differ and in that case it is desirable that the distressed seamen should have the option of being returned either to the country of origin within the Commonwealth or to the port wherein he was signed on. In any case it is desirable that definite arrangements are made for the recovery of the repatriation cost from the owner of the vessel.

OFFENCES COMMITTED ON BOARD THE VESSEL.

The new position must involve some modifications. There has been up till now no administrative difficulty primarily owing to the fact that the system of law, whichever and wherever applicable, was the same; but under the new scheme, whereby power is to be delegated to the Dominions, it may happen that a difference in the relative law in two parts of the Commonwealth might lead to difficulties. If, however, uniform provisions are maintained in various parts of the Commonwealth with regard to the action to

be taken against the perpetrators of crime on board the ships, it is possible that in practice the authorities will not be faced by difficulties. For this purpose, crimes likely to be committed are divided into three heads :—

(*a*) Ordinary crimes committed on ships which could be uniformly dealt with if all parts of the Commonwealth enact in their territories legislation similar to the Fugitive Offenders' Act of 1881, which has so far proved effective.

(*b*) **Offences committed against Merchant Shipping Legislation :**

As most of these arise in connection with the safety of the ships and persons on board, it is possible that if uniformity advocated above under this head is agreed upon, this kind of offence will present no difficulty of solution.

(*c*) **Offences against the descipline of the ships :**

In so far as disciplinary action by the Master is concerned, the same power as he now exercises should be given to him under the law of that port of the Commonwealth where the ship is registered, while in the event of legal proceedings being necessary, the same may be taken when the ship with the offender returns to the port of the Commonwealth in which the ship is registered. There may, however, be cases where the ship may not return to the port of registry a long time. In this eventuality, it will be noted the Report makes no provision for a speedy trial presumably on the ground that such cases will be rare and that the difficulty, if any, will be no greater than the one arising in the event of the ship having been registered at a foreign port and business considerations requiring its remaining away for a long time.

COURTS OF ENQUIRY AND NAVAL COURTS.

As regards the former, my Committee endorse the recommendations of the Report, but as regards the latter will point out that under the position envisaged by the Report the question of other facilities being substituted on the discontinuance of the facilities now offered by the Naval Courts in any part of the Commonwealth is left delightfully too vogue for practical adoption but it is hoped

that the absence of an uniformity in the matter of facilities in this connection will not lead to any complications in their application.

COASTING TRADE.

In this connection the Report makes certain general and particular recommendations. It lays down that in so far as Coastal legislation may be said to be extra territorial in character and in so far as the rights of the component parts of the Commonwealth are concerned, such legislation should be outside the purview of the recommendation made by the Report, *viz.*, that legislation with extra territorial effect passed in one part of the Commonwealth should not be applied to ships registered in another part without the consent of that latter part. So far as extra-territorial operation of legislation is concerned, my Committee accept the recommendation made by the Report and appreciate the discretion therein allowed to all parts of the British Commonwealth to legislate as they like regarding their coasting trade.

My Committee note with satisfaction that the question of uniformity of treatment does not take away inherent rights. My Committee therefore feel gratified to note that the right of any part of the Commonwealth to impose conditions of a general character on all ships engaged in its coasting trade is not only recognised, but the Report goes so far as to lay down that under the new position adumbrated " each part of the Commonwealth will have full power to deal with its own coasting trade," which means that a Dominion can legislate regarding its coasting trade in a manner best suited to its requirements.

The grant of this power, over the Coasting Trade is a very significant sign of the present mentality of the autonomous partners of the British Commonwealth. But after making this gesture, the Report proceeds to recommend that " the Government of the several parts of the Commonwealth might agree, for a limited number of years, to continue the present position, under which ships of any part of the Commonwealth are free to engage in the Coasting Trade of any other part." This latter recommendation takes away by the right hand what is given by the left hand. One may as well say that the two recommendations taken together perpetuate *status quo* under the camouflage of high sounding concessions meaning nothing in reality.

So far as my Committee are aware, ships of one Dominion are not presently engaged in the Coasting Trade of another Dominion, but that ships of the United Kingdom are fully exercising their freedom to engage in the Coasting Trade of all the Dominions. If therefore any part of the Commonwealth wishes to allow the United Kingdom to continue in the enjoyment of the privilege which it has exercised so far, there is nothing to prevent its being done without the specific recommendation of the Report being incorporated in the legislation of the Dominion concerned.

So far as India is concerned, my Committee would like to emphasise the fact that its coasting trade is today practically monopolised by the British-owned in and controlled from London. The Coasting Traffic Reservation Bill intended to reserve this trade for national vessels which has been before the Indian Legislature for the last few years, does not contravene the existing legislative enactment, because on a reference to the Officers of the Crown in England, it has been opined that the Bill is *intra vires* the Indian Legislature even as it exists today, which is another way of stating that the Bill does not differentiate between British ships in a manner contravening Section 736 of the British Merchant Shipping Act. So far as therefore the interests of the Bill are concerned, the new position will be neither better nor worse than in the past, because the Coastal Bill with its principle endorsed by the Legislative Assembly of India can become even if the Governments of the several parts of the Commonwealth accept the recommendation of the Report and agree " for a limited number of years to continue the present position under which ships of any part of the Commonwealth are free to engage in the coasting trade of any other part."

My Committee consider it imperatively essential that India should along with other Dominions have the power to legislate freely in the matter of its Coasting Trade in the best interests of herself. My Committee would therefore urge upon the Government of India to take early steps to carry out the most important recommendation of the Conference under which the full and complete power of the Indian Parliament to enact such legislation as it likes in connection with its Coasting Trade is fully secured to them.

PROPOSAL FOR AN AGREEMENT.

It is understood that the Conference has in addition to an agreement, proposed that the agreement should contain " a provision that the principles would not be departed from after the expiration of the agreed term without previous notification to the other members of the Commonwealth and the consideration of their views. The suggested provision greatly discounts the full power it is proposed to grant and my Committee venture to suggest that this part of the recommendation of the Report be dropped. My Committee welcome and endorse the recognition by the Conference that each part of the Commonwealth has a right " to impose customs tariff duties on ships built in other parts of Commonwealth or outside it or to give such financial assistance as it thinks fit to its own ships."

The other point touched upon in the Report has reference to the forfeiture of ships for contravening the qualifications of ownership under the Commonwealth. In this connection it is observed that a forfeiture will, wherever executed, be for the benefit of the exchequer of that part of the Commonwealth in which the ship is registered.

CARRIAGE OF GOODS BY SEA.

My Committee endorse the opinion expressed in the Report that uniformity of legislation in this connection is desirable and trust that various parts of the Commonwealth will carry out in due course the intentions of the Imperial Conference of 1926 as expressed in their Resolution bearing upon the rules relating to the Bills of Lading as embodied in the International Convention signed at Brussels in October 1923.

In conclusion, my Committee welcome the recommendations as to legislation to be enacted by the Parliament of the United Kingdom with respect to Sections 735 and 736 of the Merchant Shipping Act, 1894, and the Colonial Courts of Admiralty Act, 1890, as set forth on pages 39 and 41 of the Report and express the earnest hope that the Government of India in consultation with His Majesty's Government in the United Kingdom will be pleased to take early steps for the enactment of such legislation as will enable the authorities concerned to extend the principles of the recommendations of the Conference to India without delay. As important

matters connected with shipping in general and merchant shipping legislation in particular will be discussed at the Imperial Conference to be held in London in September next, my Committee have to request the Government of India to appoint non-official Indian conversant with Indian shipping who can usefully assist the Indian Delegates in their work at the Imperial Conference.

APPENDIX IX.

COASTAL TRAFFIC RESERVATION BILL—REPORT OF THE SELECT COMMITTEE OF THE LEGISLATIVE ASSEMBLY.

No. 7080-E, dated 18th March 1930 from the Government of Bombay, Political Department.

I am directed by the Governor in Council to forward herewith a copy of Government Resolution, No. 7080, dated the 19th February 1930, and to request that you will be so good as to favour Government with the views of your Chamber, not later than the 10th April 1930, on the provisions of the Bill appended to it.

2. It is regretted that a reference to your Chamber was not made earlier.

GOVERNMENT OF BOMBAY,

POLITICAL DEPARTMENT,

RESOLUTION No. 7080.

Bombay Castle, 19*th February* 1930.

Letter from the Government of India, Legislative Assembly Department, No. F. 112-1-27-1A, dated the 11th February 1930:—

With reference to the Debates of the Legislative Assembly of the 23rd January 1930, I am directed to forward herewith copies of the papers noted on the margin and to request that the Governor in Council will favour this Department with an expression of his opinion on the provisions of the Bill, and with the opinions of such selected officers and other persons as the Governor in Council may think fit to consult on the subject.

1. The Reservation of the Coastal Traffic of India Bill as reported by Select Committee.

2. Extract from Legislative Assembly Debates, dated the 23rd January 1930, regarding the Bill.

" 2. I am also to request that the Bill as reported by the Select Committee may be published in the *Bombay Government Gazette* in English and in such other languages as the Governor in Council may deem proper, and that the dates of such publication may be communicated in your reply.

" 3. The reply to this letter should be sent in duplicate by the 30th April 1930.

RESOLUTION.—Copies of the letter from the Government of India and its accompaniments* should be forwarded to the Commissioner in Sind, the Commissioners of Divisions, the Resident and Commander-in-Chief, Aden, the Collector of Salt Revenue, Bombay, the Chairman, Bombay, Karachi and Aden Port Trusts, and the Remembrancer of Legal Affairs, and they should be requested to favour Government with their opinions on the provisions of the Bill.

2. The Commissioners of Divisions should submit their reports after consulting the Collectors of such of the coast Districts as are likely to be interested in the proposed legislation.

3. The Chairman, Bombay Port Trust, the Commissioner in Sind, the Resident and Commander-in-Chief, Aden, and the Collector of Salt Revenue, Bombay, should also forward to Government with their remarks the opinions of the shipping and other commercial interests concerned on the subject. The Collector of Salt Revenue should be requested to submit his report through the Revenue Department.

4. The opinions called for should be submitted so as to reach Government in the Political Department by the 1st April 1930, at the latest.

5. The Manager, *Government Central Press,* should be requested to print the Bill as reported by the Select Committee in the *Bombay Government Gazette.* The Oriental Translator to Government should be asked to translate the Bill into Marathi, Gujarati, Urdu and Kanarese and to forward the translation to the Manager, *Government Central Press,* for publication in the *Gazette.* The Commissioner in Sind should be requested to take similar action

*Appended.

with regard to Sind. The dates of publication in the *Bombay Government Gazette* and the *Sind Official Gazette* should be reported to Government.

EXTRACT FROM THE LEGISLATIVE ASSEMBLY DEBATES.

The Assembly met in the Assembly Chamber of the Council House, New Delhi, on Thursday, the 23rd January 1930.

* * * *

THE RESERVATION OF THE COASTAL TRAFFIC OF INDIA BILL.

Mr. Sarabhai Nemchand Haji (Bombay Central Division Non-Muhammadan Rural)—Sir, I rise to move that the Bill to reserve the coastal traffic of India to Indian vessels, as reported by the Select Committee, be re-circulated for the purpose of obtaining further opinion thereon by the 30th April 1930.

The reason which prompts me to make this motion is that this House at the present moment does not consist of its full normal complement. The issues raised by the Report of the Select Committee are of so great an importance that it is desirable that a full House should debate upon them. As you are aware, Sir, a full House can meet only after the by-elections and the by-elections cannot take place until after the last day allotted for non-official Bills this Session. Moreover, under the Standing Orders, a motion has to be made in regard to this Bill in this Session if the Bill is not to lapse. Under the circumstances I move the motion standing in my name.

Mr. President: The question is :—

"That the Bill to reserve the coastal traffic of India to Indian vessels, as reported by the Select Committee, be re-circulated for the purpose of obtaining further opinion thereon by the 30th April 1930."

The motion was adopted.

REPORT OF THE SELECT COMMITTEE.

Papers Nos. I—IV.

We, the undersigned, Members of the Select Committee to which the Bill to reserve the Coastal Traffic of India to Indian vessels was referred, have considered the Bill and the papers noted in the

margin, and have now the honour to submit this our Report, with the Bill as amended by us annexed thereto.

Clause 1.—An Amendment has been made in Sub-clause (2) consequential on the definition of "Coastal Traffic" in Clause 2.

A proviso containing a suspending clause is necessitated by the provisions of Section 736(*a*) of the Merchant Shipping Act, 1894 (57 and 58, Vict., c. 60).

Clause 2.—The definition of "Coastal Traffic" excludes Aden and Perim and ports in Indian States. It further exempts from the provisions of the Act the carriage of passengers with through tickets and of cargo on a through bill of lading to or from ports outside British India; also of mails and pilots in certain cases. These provisions are similar to those of Section 7 of the Australian Navigation Act, 1912—1920. It was also decided to exempt the carriage of oil in bulk by oil-tankers as a class of ship entitled to special consideration.

We have considered it desirable to place Rulers and subjects of Indian States in the same position as Indian British subjects for all purposes.

Definitions (*2*) and (*3*) in the Bill as introduced have been consolidated in the definition of "Indian-controlled ship". We consider it desirable in the case of a corporation, partnership or association to prescribe a percentage of the right to profits as well as to capital and to provide that companies must be both incorporated and registered in British India in order to render control effective. We have also required that the Managing Director and Managing Agent, if any, should be Indians. We further decided to include ships chartered by Government in the category of Indian-controlled ships.

We were impressed with the desirability of precluding evasions of the Act by *benamidars* but decided that the imposition of penalties or disabilities on persons holding ships *benami* for non-Indians or on the non-Indian beneficiaries would involve very great complications. We have, therefore, decided to make no provision on these lines, but desire to record our recommendation that if, when the Act is in operation, devices of this kind are employed with success on a large scale, counteracting measures should be taken.

Sub-clause (*4*), (*5*) and (*6*) introduce purely formal amendments.

Clause 3.—The retention of the expression " common carrier," which appeared in the Bill as introduced, might have defeated the object of the Bill. This expression is limited to persons who are bound to carry for the public; and shipping companies might have taken the opportunity to protect themselves against the operation of the Act by a declaration that they would not carry in certain circumstances. We have avoided this difficulty by the use of the word " ship ".

Clause 4.—We have thought it desirable to obviate the difficulty which might arise if the total Indian-controlled tonnage applying for licenses is inadequate to the needs of the coastal traffic by providing that the Governor General in Council shall in each year after consulting the public fix the total tonnage which ought to be licensed and retain a power [given by the proviso to clause 7 (*3*)] in such cases to make up the desired total by licensing ships other than Indian-controlled ships.

Clause 5.—In view of the provision which we have made in Clause 9 for penalties, it is essential to require a definite form of application for licenses containing a signed declaration as to whether a ship is or is not Indian-controlled, together with relevant particulars.

Clause 6.—In this clause we have combined Clauses 4, 5, 6, 7 and 8 of the Bill as introduced. The yearly variation of tonnage provided by Clause 7 necessitate the alteration of the period of validity of a license from three years to one year. We think that it is unnecessary to provide for renewal of licenses.

Clause 7.—This clause reproduces substantially the provisions of Clause 9 of the Bill as introduced with the following modifications :—

(*i*) We consider it essential that all *bona fide* Indian-controlled vessels applying for licences in the first year should obtain them, especially in view of the fact that the number of such ships would not be excessive.

(*ii*) In order to prevent any rush to obtain qualification by exchange of shares, etc., at the last moment before application we have provided that, for the first year, only ships which were Indian-controlled on a fixed date to be inserted in the Bill should participate in privileges conferred. This date should be as nearly as possible the date on which the Bill finally passes through both Chambers of the Indian Legislature.

(*iii*) As explained with reference to Clause 4, provision has been made for the licensing in each year of the total tonnage considered necessary for the needs of the coastal traffic by licensing ships other than Indian-controlled ships if the latter do not apply in adequate numbers.

Clause 8.—We were of opinion that a clause of this nature, based on Clause 286 of the Australian Act, is necessary to meet temporarily the emergency of a sudden rush of traffic or failure of shipping between ports.

Clause 9.—We considered it desirable to particularise the offences and classes of offenders generally envisaged by Clause 10 of the Bill as introduced. The penalty provided in (*a*) for the master of a ship is designed to provide an indirect means of control over persons not otherwise amenable to the municipal law of British India. Sub-clause (*2*) was added to meet the case of an offending company or firm.

Clause 10.—To the provisions of Clauses 11 and 12 of the Bill as introduced we have added a power to cancel licences in respect of which a false statement or declaration has been made in an application and have made provision for forfeiture of security.

Clause 11.—We have inserted a general rule-making power subject to the rules being laid in draft before both Chambers of the Indian Legislature, and to any Resolution passed by either Chamber with regard to the draft within a fixed period being taken into consideration by the Governor General in Council before the rules are finally made.

We have inserted a special reference to rules prescribing the conditions under which licensed ships may be chartered. We

desire to place upon record our recommendation that these conditions should prohibit a charter of the " bare boat " or any other form which transfers the control, mangement or running of a ship from an owner who satisfies the conditions contained in sub-clause (*a*) or (*b*) of Clause (*3*) of Section 2 to a charterer who does not satisfy the conditions contained in one or the other of those sub-clauses.

Clause 12.—This clause which follows section 4 of the Indian Merchants Shipping Act, 1923, exempts public ships from the operation of the Act.

Clause 13.—It was considered desirable to make it clear that the holder of a licence is in no wise exempted thereby from the requirements of the Indian Merchant Shipping Act, 1923, relating to certificates, etc.

2. The Bill was published as follows :—

In English.

Gazette.	*Date.*
Gazette of India	.. 9th February 1928.
Fort Saint George Gazette ..	.. 21st February 1928.
Bombay Government Gazette ..	.. 24th May 1928.
Calcutta Gazette	.. 15th March 1928.
United Provinces Gazette ..	.. 5th May 1928.
Punjab Government Gazette ..	.. 1st June 1928.
Burma Gazette	.. 21st April 1928.
Central Provinces Gazette ..	.. 23rd June 1928.
Assam Gazette	.. 22nd February 1928.
Bihar and Orissa Gazette ..	.. 25th April 1928.
Coorg District Gazette	.. 1st May 1928.
Sind Official Gazette	.. 24th May 1928.
North-West Frontier Gazette ..	.. 11th May 1928.

In the Vernaculars.

Province.	*Language.*	*Date.*
Madras	Tamil ..	.. 8th May 1928.
	Telugu ..	.. 29th May 1928.
	Hindustani ..	.. 15th May 1928.
	Kanarese ..	.. 29th May 1928.
	Malayalam ..	.. 15th May 1928.

Bombay ..	.. Marathi. ..	.. 28th June 1928.
	Gujarathi	.. 5th July 1928.
Burma ..	.. Burmese ..	.. 2nd May 1928.
Sind ..	.. Sindhi ..	.. 31st May 1928.

3. In view of the extensive alterations which we have made in the Bill, we are of opinion that it should be republished.

G. RAINY.*
MOTILAL NEHRU.
JAMNADAS M. MEHTA.
SATYENDRA CHANDRA MITRA.
MOHAMMED SHAFEE DAOODI.
TOK KYI.
MADAN MOHAN MALAVIYA.
GHANSHYAM DAS BIRLA.
K. C. NEOGY.
M. S. ANEY.
PURSHOTAMDAS THAKURDAS.
ABDUL MATIN CHAUDHURY.
ZULFIQAR ALI KHAN.
JAS. F. SIMPSON.*
T. B. ROY.
W. STENHOUSE LAMB.*
H. ABDULLAH H. KASIM.
JEHANGIR K. MUNSHI.
SARABHAI NEMCHAND HAJI.

2nd April 1929.

MINUTES OF DISSENT.

We have signed the report with the other members of the Select Committee purely as in duty bound.

We entirely dissent from the discriminatory principle underlying the Bill which is such as renders it impossible for us to put forward any alternative proposals.

We refrain from comment upon any clause with the exception of No. 4 which, we are convinced, is thoroughly unpractical. To our mind, in operation it will undoubtedly cause serious difficulties

* Subject to minute of dissent.

to arise. Apart from the onus placed upon the Governor General in Council or upon any Government Department, the clash of opinions as to the estimate of tonnage essential to the needs of the coastal traffic in any year, is bound to lead to conflicting views causing delays and a general state of muddle, resulting, probably in dislocation of the traffic and serious loss to those who are dependent upon coastal shipping.

The clause is objectionable to us also because it connotes Government control, rules, regulations and interference. Experience all over the world of late years has eloquently shown that the less Government interfere with trade and Commerce, the better for all concerned.

Concerning the Bill as a whole, as Burma is interested in 75 per cent. both of coastal cargo and passenger trade, the danger threatening the province, if the Bill becomes law, is too great to be contemplated without misgiving.

JAS. F. SIMPSON.
20th March 1929. W. STENHOUSE LAMB.

I consider that many of the amendments made in the Bill by the Select Committee are improvements, and that the Bill is now a much more workable and practical measure than it was at the time of its introduction. But, in my view, the Bill is open to the gravest objections in principle, and these objections have not been in any way removed, or even diminished, by the amendments made in Select Committee. I object altogether to discrimination between the citizens of the various parts of the British Empire in respect of the coastal traffic of India, and I object to the expropriation involved in that provision in the Bill which seeks to reserve completely the coastal traffic for Indian-controlled vessels at the end of five years from the date when the Bill becomes law. In these two respects the Bill has not been materially altered and I am unable to support it.

2. In the following points of detail the provisions of the Bill, as amended by the Select Committee, seem to me to be open to criticism :—

(1) Sub-clause 2 (*3*) (*b*) (*i*) provides that 75 per cent. of the shares or stock of a Company must be vested in

Indians, if the ships owned by the Company are to be Indian-controlled ships. There would, I apprehend, be great difficulty in practice in establishing the fact that a breach of this condition had occurred.

(2) Clause 4 imposes on the Governor General in Council the duty of determining annually the total tonnage which is essential for the needs of the coastal traffic. I am not satisfied that this could be done with sufficient accuracy to prevent grave inconvenience to trade if the quantity required was under-estimated, or the partial frustration of the objects of the Bill if it was over-estimated.

22nd March 1929. G. RAINY.

[AS AMENDED BY THE SELECT COMMITTEE.]

(Words printed in italics indicate the amendments suggested by the Committee.)

(*A Bill to reserve the Coastal Traffic of India to Indian vessels.*)

Whereas it is expedient to provide for the rapid development of an Indian Merchant Marine :

And whereas for this purpose it is expedient to reserve the coastal traffic of India to Indian-*controlled* vessels ; It is hereby enacted as follows :—

Short title, extent and commencement.

1. (*1*) This Act may be called the *Indian Coastal Traffic* (*Reservation*) *Act*, 19 .

(*2*) It extends to the whole of British India.

(*3*) It shall come into force on such date as the Governor General in Council may, by notification, appoint :

Provided that no such date shall be appointed until His Majesty's pleasure on this Act has been publicly signified in British India by notification.

2: *For the purposes of* this Act, unless there is anything re-
Definitions. pugnant in the subject or context,—

(1) *a ship shall be deemed to be engaged in "coastal traffic" if it takes on board cargo or passengers at any port in British India, other than Aden or Perim, to be carried to, and delivered or landed at, any other port in British India, other than Aden or Perim :*

Provided that a ship shall not be deemed to be engaged in coastal traffic by reason only of the fact that it takes on board or carrires—

(a) *passengers holding through tickets to or from a port outside British India ;*

(b) *cargo consigned on a through bill of lading to or from a port outside British India and not transhipped to or from any ship engaged in coastal traffic and not licensed under this Act ;*

(c) *mails, in the course of a continuous voyage to or from a port outside British India ;*

(d) *pilots, as passengers who are proceeding from their home station for the purpose of meeting vessels requiring their services, or who are returning to their home station after piloting vessels ; or*

(e) *in the case of an oil-tanker, oil in bulk ;*

(2) *"Indian" means an Indian British subject or the Ruler or a subject of a State in India :*

(3) *"Indian-controlled ship" means a ship chartered by the Government, or a ship owned by or, if the ship is chartered, owned and chartered by—*

(a) *an Indian, or*

(b) *a company incorporated and registered in British India, or a corporation, partnership or association—*

(i) *in which, in the case of a company not less than 75 per cent. of the shares or stock, other than debenture stock, or in the case of a corporation, partnership or association, not less than 75 per cent. of the capital and the right to*

not less than 75 per cent. of the profits is vested in *Indians in their own right and for their own benefit* free from any trust or fiduciary obligation in favour of any person other than *an Indian ;*

(*ii*) *of which* the Chairman of the Board of Directors *and the Managing Director, if any,* and not less than 75 per cent. of the members of the *Board of Directors* are *Indians ;*

(*iii*) *in which* not less than 75 per cent. of the voting power is vested in *Indians :*

Provided that voting power vested in an Indian shall be deemed not to be so vested if, by any contract or understanding *or otherwise,* it is arranged that *such* power *is to* be exercised on behalf of any person directly or indirectly *other than an Indian ;* and

(*iv*) *of which the Managing Agent, if any, is an Indian or* the Managing Firm, if any, *fulfils the conditions specified in Clauses* (*i*), (*ii*) *and* (*iii*) *;*

(*4*) "*licence*" *means a licence for coastal traffic issued under this Act ;*

(*5*) "*notification*" *means a notification in the* Gazette of India*; and*

(*6*) "*prescribed*" *means prescribed by rules made under this Act.*

3. No *ship* shall engage in *coastal traffic,* unless *it is* licensed *for the purpose under this Act.*

No ship to engage in coastal traffic unless licensed.

4. (*1*) *The Governor General in Council shall, in each year, not less than two months before the date on which it is intended to issue licences, by notification, publish an estimate of the total tonnage which is, in his opinion, essential for the needs of the coastal traffic in that year, and invite opinions as to such estimate and fix the date on which such opinions will be taken into consideration and the period within which applications for licences may be made.*

Determination of total tonnage of ships to be licensed.

(2) *The Governor General in Council, after considering any opinions which he may receive before the date so fixed, shall determine and publish by notification the total tonnage essential for the needs of the coastal traffic.*

Applications for licences.

5. (*1*) *Applications for licences may be made within the period fixed under Sub-section* (1) *of Section* 4.

(*2*) *Every such application shall be in the prescribed form, and shall contain a declaration signed by the applicant stating whether the ship in respect of which the application is made is an Indian-controlled ship and such particulars as may be prescribed to enable the Governor General in Council to satisfy himself as to the accuracy of such declaration.*

Licence.

6. (*1*) The Governor General in Council *may, subject to the conditions hereinafter contained in Section* 7, *after considering the applications, issue licences in the prescribed form and on the prescribed conditions to ships of an aggregate tonnage not exceeding the tonnage determined under Sub-section* (2) *of Section* 4.

(*2*) *A licence shall be valid only for the year in respect of which it is issued.*

(*3*) Before *issuing* a licence, the Governor General in Council may require *from the person applying therefor* such security, not exceeding fifty thousand rupees, as the Governor General in Council may think fit, for compliance with the conditions *thereof.*

Issue of licences to Indian-controlled ships.

7. (*1*) *In respect of the first year after the commencement of this Act, licences shall be issued to all Indian-controlled ships in respect of which applications for licences have been received which were Indian-controlled ships on the day of*

(*2*) *In respect of these cond, third and fourth years, licences shall be reserved for Indian-controlled ships up to an aggregate tonnage of two-fifths, three-fifths, and four-fifths, respectively, of the tonnage determined for the year under Sub-section* (*2*) *of Section 4.*

(*3*) *In respect of every year after the fourth year, licences shall be issued to Indian-controlled ships only :*

Provided that if, after every application for a licence in respect of an Indian-controlled ship has been considered, the

aggregate tonnage of the Indian-controlled ships which have been licenced is less, in the second, third or fourth year, than the tonnage up to which licences have been reserved for Indian-controlled ships under Sub-section (2), or, in any year after the fourth year, than the tonnage determined under Sub-section (2), of Section 4, the deficiency may be made good by the issue of licences to ship other than Indian-controlled ships.

Power to issue permits to unlicensed ships.

8. *If the Governor General in Council is satisfied that—*

(*a*) *no licensed ship is available for, or that the service rendered by licensed ships is inadequate to the need of the coastal traffic to or from any port or between any ports in British India, and*

(*b*) *it is desirable in the public interest to take action in this behalf,*

the Governor General in Council may issue permits in the prescribed form to unlicensed ships to engage for a period not exceeding three months in coastal traffic, subject to such conditions as may be specified in the permits, and nothing in Section 3 shall apply to a ship to which such a permit has been issued during the continuation of the permit.

Penalties.

9 (*1*) *Any person who—*

(*a*) *is the owner, charterer or agent or has command or charge of a ship which contravenes the provisions of Section 3, or*

(*b*) *contravenes the conditions of a licence, or*

(*c*) *signs a false statement or false declaration in an application for a licence, knowing the same to be false.*

shall be punishable with simple imprisonment *which may extend to* six months, or with fine *which may extend to* ten thousand rupees, or with both.

(*2*) *Where a person punishable under sub-section (1) is a company, corporation, partnership, or association, any secretary, director or other officer or person concerned with the management thereof shall be punishable as provided in that sub-section, unless he proves that the offence was committed without his knowledge or without his consent.*

Cancellation of licences.

10. (*1*) *If* the Governor General in Council is satisfied that there has been a breach of the conditions of *a* licence, *or that any licence has been issued upon*

an application which contains a false statement or false declaration the Governor General in Council may cancel *the* licence :

Provided that no licence shall be *so* cancelled unless the *holder thereof has been given an opportunity* to show cause against *the* cancellation *or has been convicted of an offence under clause (b) or clause(c) of sub-section (1) of section 9 in respect thereof.*

(2) Where any licence is cancelled under this section in consequence of a breach of the conditions thereof, the Governor General in Council may direct that any security taken under sub-section (3) of Section 6 for compliance with such conditions shall be forfeited either in whole or in part.

Power to make rules.

11. *(1) The Governor General in Council may, by notification, make rules for carrying out the purposes of this Act.*

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters namely :—

(a) the form of licences ;

(b) the conditions of licences, including the conditions under which a licenced ship may be chartered ;

(c) the manner and form in which application for licences shall be made ;

(d) the particulars to be contained in applications for licences ; and

(e) the form of permits.

(3) No notifications shall be made under sub-section (1) until it has been laid in draft before both Chambers of the Indian Legislature and the Governor General in Council has taken into consideration any Resolution relating to the draft which either Chamber may have passed within the next thirty days on which that Chamber has sat after the draft has been so laid.

Exemption of public ships.

12. *This Act shall not apply to ships belonging to His Majesty or the Government, or to ships belonging to any foreign Prince or State and employed otherwise than for profit in the public service of that Prince or State.*

13. *Nothing contained in this Act shall be deemed to derogate from any of the provisions of the Indian Merchants Shipping Act, 1923.*

Saving.

No. 729, dated 2nd April 1930, from Chamber to Government of Bombay, Political Department.

I am directed by my Committee to acknowledge the receipt of your letter of the 18th March 1930, No. 7080-E, forwarding the report of the Select Committee on the Bill to reserve the Coastal Traffic of India to Indian vessels, and to inform you that my Committee fully approve the alterations made in the original Bill by the Select Committee and reaffirm that they are entirely in favour of the principle underlying the Bill which has not been in any way affected by the changes made in the Select Committee. My Committee would further like to add that as they have dealt at length with the several criticisms that have been levelled against the Bill from interested quarters in their letter dated the 7th July 1928, they do not consider it necessary to traverse the points now raised in the Minutes of Dissent.

There are, however, one or two points to which my Committee would like to invite the special attention of the Government. The Honourable Member for Commerce thinks that the provision that 75 per cent. of the shares or stock of a company must be vested in Indians is not a practical proposition and that great difficulty would be experienced in actual practice. My Committee would like to invite the attention of Government to the recent action taken by the Calcutta Electric Supply Corporation, Limited, at the instance of the Government of Bengal in restricting the holdings of foreign shareholders to a maximum of 20 per cent. in that Company and to urge that the proposal set forth in the Bill is not only sound but thoroughly practical.

The Honourable Member for Commerce has also referred to the argument of discrimination and expropriation which was first started by Sir Charles Innes in 1926. Although it has been pointed out now and again how interested and unjustifiable is this cry of discrimination and expropriation, my Committee beg again to state that the Reservation of the Coastal Traffic of a country to its own nationals connotes neither discrimination nor expropriation.

The Conference on the operation of Dominion Legislation and Merchant Shipping Legislation which met in London in 1929 has made it perfectly clear to all concerned that it is the inherent right and power of every part of the Empire to regulate its coasting trade in such a manner as it deems fit. Not only does that Conference recommend that—

> " Sections 735 and 736 of the Merchant Shipping Act of 1894 shall be construed as though reference therein to the legislature of British possession did not include reference to the Parliament of a Dominion."

but it establishes beyond all doubt that each Dominion will have full and complete legislative authority over all ships while within its territorial waters or engaged in its coasting trade.

Further on page 33 of the report the following observations are to be found :—

> " Under the new position, each part of the Commonwealth will have full power to deal with its own coasting trade. We recommend that the Government of the several parts of the Commonwealth might agree, for a limited number of years, to continue the present position, under which ships of any part of the Commonwealth are free to engage in the coasting trade of any other part."

> ' These recommendations are not intended to affect the right of any part of the Commonwealth to impose conditions of a general character on all ships engaged in its coasting trade, or to impose customs tariff duties on ships built in other parts of the Commonwealth or outside it, or to give such financial assistance as it thinks fit to its own ships."

Again on page 32 we find the following remarks :—

> ' Each part of the British Commonwealth, in the exercise of the power to legislate with extra-territorial effect with regard to ships, should accept the principles that legislation with extra-territorial effect passed in one part of the Commonwealth should not be made to

apply to all the ships registered in another part without the consent of that latter part."

This recommendation is not intended to limit the power of any part of the British Commonwealth over its coasting trade.

Again on page 40 the report states as follows referring to India :—

"Subject to certain special provision of the Merchant Shipping Acts, the legislative powers of the Indian Legislature are governed by the Government of India Act, and general statements regarding the position of the Dominions in matters of Merchant Shipping and admiralty Court legislation may therefore not be entirely applicable in the case of India. At the same time, as the position of India in these matters has always been to all intents and purposes identical with that of the Dominions, it is not anticipated that there would be any serious difficulty in applying the principles of our recommendations to India, and we suggest that the question of the proper method of so doing should be considered by His Majesty's Government in the United Kingdom and the Government of India."

It will be apparent from the recommendations of the Conference referred to above that every part of the British Empire has got the inherent right and power to regulate its coasting trade in such a manner as it deems fit. The present Bill seeks to reserve the coasting trade of India to Indian vessels and having regard to the recommendations of the Conference set forth above India's right to do so is unquestionable. By Committee are, therefore, of the decided opinion that the question of discrimination or expropriation does not and cannot arise. India only wants to regulate her coasting trade just as other maritime countries have done and the right of the different parts of the Commonwealth to so regulate her coasting trade has been recognised by such an important Conference as the Conference on the Operation of Dominion Legislation and Merchant Shipping Legislation. My Committee would, therefore, strongly urge upon the Government of India to give their strong support to this small measure in the direction of the development of an Indian Mercantile Marine and place it on the Statute Book without any further delay.

APPENDIX X.

ASSOCIATED CHAMBERS OF COMMERCE OF INDIA AND CEYLOM AND THEIR CIRCULAR re "DISCRIMINITORY LEGISLATION."

Circular Letter, dated 27th July 1929, from the Associated Chambers of Commerce of India and Ceylon to Members of Parliament, etc.

INDIAN STATUTORY COMMISSION.

The Indian Statutory Commission has now entered upon the last stage of its labours and is expected to issue its report at no distant date. Indian affairs are therefore likely to loom large in the public eye during the ensuing months and the moment appears appropriate to direct attention to an aspect of the problem of vital importance to the general prosperity of both Great Britain and India if, as seems probable, a further measure of self Government is granted to this country. I refer to the attempts on the part of a section of Indian politicians to introduce legislation aiming at economic discrimination against non-Indian interests. A resolution on the subject was adopted at the meeting of the Associated Chambers of Commerce of India and Ceylon held in Calcutta in December last and I am directed to forward herewith a copy of the Resolution and of the discussion which preceded its adoption (*Annexure A*).

The most striking practical example of the danger apprehended in the resolution is afforded by the Coastal Traffic Reservation Bill, a copy of which as amended by a Select Committee of the Indian Legislature together with the Select Committee's report is also forwarded for your information (*Annexure B*). Similar Bills have been under consideration in previous years, but were not proceeded with. The present Bill, though in some respects an improvement upon its predecessors, retains undiminished the objectionable principle of racial discrimination. Particular attention is drawn to Clause 7, which is in effect a proposal to take over in five years an industry which has been built up on generations of experience by the greatest seafaring nation in the world. In spite of its obvious injustice, there is every indication that the Bill will be passed by the Legislative Assembly for it has the enthusiastic support of the extremist exponents of ultra-national views, while

it is unlikely to be seriously opposed by the more moderate section of the elected members, many of whom are reluctant to appear unsympathetic to any measure which claims to promote national aspirations.

As His Excellency the Viceroy observed in his inaugural address at the meeting of the Associated Chambers to which allusion has already been made, the ambition that India should have her own mercantile marine and that the ships of that mercantile marine should be officered as well as manned by Indians is not an unworthy ambition. The problem, as His Excellency saw it, was whether India could be helped to realise this ambition without resort to methods of confiscation. British and Indian capital have often co-operated in the past for India's commercial and industrial advancement and there is no reason why they should not do so in the future. But at present the aim seems to be to supplant British effort rather than to supplement it. Now that the extremer forms of nationalism are likely to have greater rein the interests of India and Great Britain alike demand certain constitutional safeguards or the economic structure of both countries will be seriously imperilled. This Association has endeavoured to impress on Sir John Simon and his colleagues the necessity of providing such safeguards in the future constitution and, at Sir John's invitation, it has forwarded to the Statutory Commission certain draft clauses illustrating what is required.

It must not be thought that the members of this Association are unsympathetic to Indian economic aspirations; on the contrary they recognise that constitutional advance must be accompanied by an increasing control of the industrial development of the country and to this end they are in favour of Indians taking a predominant part in directing new industries. They are also not opposed to Indians being afforded increasing opportunities of participating in existing industries which have been built up by European enterprise. But schemes such as that contemplated by the Coastal Traffic Reservation Bill, which amount to wholesale expropriation of established interests can do nothing but alienate the sympathies of India's well-wishers, doing irreparable harm to the credit of the country and depriving it of the British capital, initiative and technical experience, which will probably prove indispens-

able factors in India's industrial development for many years to come.

It is with the object of making clear the dangers to both India and England of nationalism unrestrained and the necessity of providing adequate safeguards, that this circular has been written. This Association does not believe that Indian and British interests are irreconcilable; on the contrary, it holds that the trade and prosperity of the two countries are and must be interdependent. That trade is not merely a matter of capitalistic interests—ultimately it means the prosperity and happiness of the working man, Indian and English alike. It can be furthered by mutual help but endangered by racial antipathies.

It should not be beyond the power of British and Indian statesmanship to evolve a working arrangement which, while satisfying legitimate Indian aspirations, shall protect British interests from the unjust attacks of the extreme politicians.

I am to express the hope that the Association may rely on your active co-operation in securing that India's new constitution shall contain the safeguards against discriminatory legislation which the enclosed Bill proves to be essential.

(For the Statement prepared by the Federation in reply to the above See File No. 99 for the year 1930).

Circular Letter of the Associated Chambers, dated 12th June 1930.

I am directed to invite a reference to the circular letter which was sent to you by the Associated Chamber of Commerce of India and Ceylon on 27th July 1929. The letter related to the attempts, on the part of a section of Indian politicians, to introduce legislation aiming at descrimination against non-Indian interests; and, in particular, to the Coastal Traffic Reservation Bill, a copy of which, as amended by the Select Committee of the Indian legislature together with the Select Committee's report, was attached to the letter for your information. The present position is that the Bill as mended by the Select Committee has been re-circulated for public opinion in this country; so far as regards the Bill itself there is no material change from the position as it was when the Associated Chambers addressed you last July.

2. But the Associated Chamber have had occasion to consider a Statement issued on behalf of the Federation of Indian Chamber of Commerce in reply to the circular letter of 27th July. They desire to submit for your information certain considerations in regard to it.

3. The Associated Chamber are not unsympathetic to Indian economic aspirations; on the contrary, they recognise that constitutional advance must be accompanied by an increasing control of the industrial development of the country. But, claims such as that contemplated by the Coastal Traffic Reservation Bill, which amounts to wholesale expropriation of established interests can do nothing but alienate the sympathies of India's well-wishers, and will cause irreparable harm to the credit of the country.

4. As in the case put forward by the Associated Chambers the Statement issued by the Federation of Indian Chambers deals principally with the Coastal Traffic Reservation Bill, and the line of argument adopted is noteworthy. An attempt is made to defend the principle of the Bill on a national as distinct from a racial, basis. The old plea is again urged, as has been done on previous occasions, that the Bill contains no principle of racial discrimination and it is stated that the criterion established in the bill is one of nationality; this is indeed the underlying theme of the whole Statement. There is a lengthy quotation from the remarks of Pandit Motilal Nehru when he spoke on the Bill in the Assembly, and when he said that those who accept and comply with the terms upon which Indian citizenship can be acquired would have a right to complain if legislation discriminated against them, the implication apparently being that Europeans carrying on business in India might under certain conditions acquire citizenship, and therewith the right to national treatment.

5. Using the words in their ordinary sense, however, it seems more than doubtful whether a person acquiring "citizenship" in this way would acquire "nationality", for the two terms do not have the same significance. Certainly if the published reports in the press are to be accepted as accurate, some of the advocates of discriminatory legislation such as the Coastal Reservation Bill typifies, do not take the same view as Pandit Motilal Nehru: for Mr. D. Erulkar, when speaking at the International Labour Conference a short time ago regarding the nomination of Mr. P. H. Browne as

an adviser to the employers' delegates from India, is stated to have said that he considered it a novel constitutional dictum that citizenship and nationality were one and the same thing, and to have maintained that these are distinct and separate entities so that it was quite possible to be an Indian citizen without being an Indian national. But apart from this, it is significant that the Select Committee on Mr. Haji's Bill definitely changed the words used to describe a person entitled to the control of a ship engaged in the coasting trade of India. The words used in the original Bill were " British Indian subject ", and these were altered by the Select Committee to " Indian British subject," a term which clearly distinguishes persons on a racial basis, and if there is any distinction between " race " and " nationality ", as the Statement of the Federation of Indian Chambers endeavours to say there is, it is obvious that the Bill as revised by the Select Committee prescribed the former, and not the latter, as the criterion. The fact that this is so completely disposes of what is the fundamental basis of the Statement and the only argument that has not already been raised, and answered, over and over again.

6. The Statement reproduces the old and fallacious argument about Australia and the Australian coasting trade. " The British Dominion have ", it says, " the undisputed right and power to reserve " their coasting trade to their own nationals, and in fact Australia has done so." Australia, in point of fact, did nothing of the sort. The coastal provisions of the Australian Navigation Act were not based upon flag discrimination, the test of eligibility to engage in the coasting trade being compliance with the Australian regulations regarding wages, etc., and a vessel owned by Indian has always been perfectly entitled to trade on the Australian coast on level terms with vessels owned by Australians or Britishers. But apart from this, it is of course notorious that the Australian Act has had anything but satisfactory results, the general effect having been to increase freights on the coast or to maintain these at a high level, to curtail shipping facilities, and to impose disabilities on shippers and producers. In no part of the British Empire does national discrimination exist, for no internal differences of nationality are recognised, and India, even under Dominion Status, must accept and exchange common citizenship with the rest of the British Empire.

7. On these grounds alone the Statement issued by the Federation of Indian Chambers is discounted, and there are certain other points in it which it should be commented on. In its opening paragraph the Statement says that the circular issued by the Associated Chambers appeals to Members of Parliament and public bodies to use their influence and position against the grant of effective self-government to India by securing that India's new constitution shall contain safeguards. "The authors of the circular desire," the statement proceeds, "that India's right to self-government.....should be denied to her, by making reservations which shall deprive her of the right of regulating her economic policy to suit the economic needs and conditions of the country." If the contemplated measure is to be regarded as an example of what the Indian political opinion considers suitable to the economic needs and conditions of the country, the Associated Chambers can only reiterate their opinion that safeguards are called for in the new Constitution. The Statement refers also to the recommendation of the Indian Mercantile Marine Committee, and it has been pointed out again and again that the Committee did not profess to deal with the question from the practical point of view: they admitted that they did not attempt to forecast the possible effect, on the well-being of India, of the adoption of the measure they recommended. And in any case the argument that the Bill represents the only method of attaining to what has been recognised as a natural desire—the growth of an Indian Mercantile Marine—is strongly questioned. "No Indian shipping Company can gain a footing in the trade under the present conditions", the Statement says ignoring entirely the fact that Indian companies are actually engaged in the trade at the present moment. What is of course perfectly true is that no Indian company can gain a share in the trade disproportionate to the amount of capital and energy it is prepared to expend: but this position the Indian Chambers do not, perhaps naturally, wish to emphasise.

8. Indeed, the Statement says very little of the economic aspect of Coastal Reservation, probably because this is a subject upon which it is difficult to think of any argument that can be supported. The Associated Chambers have never denied that there has been reservation of one kind or another in different coun-

tries, but it is a matter of bare fact that such reservation has never been of any real service to the best interests of the country concerned. The reservation of her coasting trade by France cost Algerian producers 36,000,000 francs a year, and maintained freight rates 20 per cent. above the normal. The Statement reproduces the old fallacy—which has been disproved times without number—that it was because of the Navigation Acts that the British Mercantile Marine attained supremacy. Sir Spencer Walpole has written: "Before the repeal of the Navigation Laws the supremacy of British shipping was being seriously menaced, particularly by the vigorous competition of the well-built, well-manned and well-run American merchant marine. When, in 1849, the Navigation Laws were repealed the effect was to stimulate British shipping interests, and it was during the decades that followed, when competition was open in reagrd to her coasting as well as her other trade, that the British Mercantile Marine established itself on a level that had never previously been reached." The historical survey on Flag Discrimination prepared by the Sea Transport Committee of the International Chamber of Commerce in 1923 bears out this argument.

9. If the costly experience of such countries as Chile, Algeria and Australia may be taken as an indication of what may follow on the reservation of coastal traffic, this tampering with the well-established coastal trade of India must inflict incalculable hardship on these at present engaged in it and on the trade interests it serves, by reason of the inevitable enhancement of steamer freights. Any such enhancement of freights, or any restriction of existing shipping facilities, would have disastrous effects on the exports coal trade 75% of which is coastal. Steamer freights are already high enough, in comparison with the rates obtainable by India's competitors in the export coal trade, namely South Africa, Australia and Japan; and the further handicap consequent on the reservation of coastal traffic to Indian vessels, combined with the hardening of freights, would almost certainly entail irreparable damage, if not complete ruin to the export coal trade which, with the assistance of the Indian Coal Grading Board, has only been re-established within the past few years. At the present movement it is only by the barest margin that the coal export trade is able to retain its hold in Ceylon, Rangoon, and Bombay; and the loss of

these valuable markets to the competitors mentioned above, cannot be contemplated with equanimity. Moreover any set-back to the export coal trade must have repercussions on the trade of India as a whole by throwing on the home market a surplus of production sufficient to reduce prices to a level which might render it impossible for scientifically developed collieries to continue raising coal, in which event the smaller companies most of which mine second class coal and are Indian owned would be the first to be shut down. If in the gradual process of development of an Indian Mercantile Marine, owned and managed by Indians, the already established coasting trade of India is to be killed by increased freight, reduced shipping facilities and the many other disabilities under which it must labour, in what way is India or her industries going to benefit? As an economical proposition the reservation of India's coastal trade is bound to be bad for India's trade, bad for India's industries and bad for the industrial development of India as a whole.

10. The Associated Chambers do not wish to prolong this letter unduly, but they desire to draw attention to the remarks of Sir Purushotamdas Thakurdas which are quoted in the Statement of the Federation of Indian Chambers. Speaking at the annual meeting of the Federation in December 1928 Sir Purushotamdas said: "For my own part, I look forward to the time when the distinction between Indian and British in the commerce and industry of the country will disappear, and both British and Indian industrialists and business men will work harmoniously together in promoting the economic well-being of the country." The Statement comments that it is difficult to express the views and feelings of the Indian commercial community more unequivocally or more clearly than was done by Sir Purushotamdas, and yet it defends a measure which, for the first time in the legislation of this country, proposes to draw the distinction for the disappearance of which so much anxiety is expressed. The Associated Chambers are in entire accord with the views expressed by Sir Purushotamdas, and it was because they were so minded that they decided to withhold their reply to the statement of the Federation of Indian Chambers until such time as the Conference on Coastal Shipping which His Excellency the Viceroy had arranged to hold in Delhi

in January last, had taken place. As notified by the Government of India this Conference proved to be ineffective.

11. The Associated Chambers repeat the hope, which they expressed in their letter of 27th July that they may rely on your active co-operation in securing that India's new constitution shall contain the safeguards against discriminatory legislation which are so urgently necessary.

No. 3089. dated 26th August 1930, from Chamber to the Federation of Indian Chambers of Commerce and Industry.

I am directed by my Committee to invite your attention to the statement issued by the Associated Chambers of Commerce of India and Ceylon on the subject of *discriminatory legislation*. My Committee consider that this is of sufficient importance to deserve early consideration by the Federation.

The circular has been sent to all members of Parliament and it concludes by expressing a hope that the Association may rely on their active co-operation " in securing that India's new constitution shall contain the safeguards against discriminatory legislation which are so urgently necessary."

You will observe that it raises an important issue of economic policy which will vitally affect the future of this country. The circular is an answer to the statement issued by the Federation in October last and as the demand put forward by the Associated Chambers directly militates against fundamental policy set forth in the statement, namely—

> " There can be no self-Government in India if she is to be denied the power to devise and follow a national economic policy, including the right, if her interests required it, of making economic discrimination against non-national interests."

it requires careful consideration and effective answer at an early date. My Committee have, therefore, to request the Committee of the Federation that they will be pleased to treat this matter as urgent especially in view of the imminent constitutional changes.

The circular deals at considerable length with the principles underlying the Coastal Traffic Reservation Bill, and my Committee

have to reiterate their opinion that the Coastal Traffic Reservation Bill is not a measure of discrimination or expropriation as has been contended by the vested interests and the Associated Chambers in the statements that they have issued from time to time.

My Committee trust that this letter will receive your early attention.

No. 1119, dated 24th October 1930, from the Federation to Chamber.

With reference to your letter No. 3089, dated 26th August 1930, which was considered by the Committee at their meeting held in Bombay on the 1st instant, I am directed by them to inform you that the same was recorded as in the opinion of the Committee, there were no new points in the rejoinder of the Associated Chambers which were worth a reply.

APPENDIX XI.

CONSULTATION BY THE LEAGUE OF NATIONS re: THE MARITIME COASTING TRADE OF INDIA.

No. 1165, dated 2nd June 1930, from Chamber to the Government of India, Commerce Department.

The attention of my Committee has been drawn to the reply given by the Hon'ble the Commerce Member to a question asked in the Legislative Assembly on the 24th March 1930 with reference to the proposed consultation by the League of Nations on the subject of maritime coasting trade. It appears from replies given to the supplementary questions that the Government do not propose, while writing to the League of Nations in this connection, to draw their attention to the fact that the Legislative Assembly is now in seisin of a Bill to reserve the Coastal Traffic of India to Indian vessels the underlying principle of which has already been accepted by the Assembly by a large majority.

My Committee are aware that technically under the questionaire issued by the League of Nations in this connection, it would be possible for the Government to make no reference in their reply to this Bill as information is required regarding the present position of the coasting trade under the existing laws and regulations. It is also possible that under the term existing laws and regulations

reference to a measure which is still before the Legislature cannot be made, but what the League of Nations's authorities are enquiring about is a broad statement of the present state of legislation in the country regarding its maritime coasting trade. This would particularly be the case because no immediate international action is intended to be taken on the subject. It is, therefore, possible that what is required is information regarding the present day position of not only the existing laws and regulations on the subject but also the existing legislative measures, *i.e.*, Acts, Regulations and Bills affecting the subject. This is the more so because the Bill to reserve the coastal traffic of India to Indian vessels is one which is likely to transform the whole of the existing law on the subject, to say nothing of the fact that the principle underlying the Bill has already been endorsed by the Indian Mercantile Marine Committee appointed as it was by the Government of India themselves.

Under the circumstances, my Committee trust that the Government of India will, even at this late hour, see their way to so frame their replies to the questionnaire of the League of Nations that in addition to the existing laws and regulations reference is made therein to the Coastal Bill, and to the fact of the universal Indian national demand being behind it, and to the fact that out of a Select Committee of 19 Members both Europeans and Indians, only the 3 European Members of the Committee have expressed themselves against it while all the 16 Indian Members drawn from all parties in the Assembly have unanimously expressed themselves in favour of the bill.

My Committee would like to add that to enable the League of Nations' authorities to have the full knowledge of the subject the Government should forward to Geneva a copy of the report of the Select Committee together with copies of the Bill as introduced and as amended by the Select Committee.

In conclusion, my Committee would urge that India being an original member of the League of Nations, she is entitled to place the full facts regarding any particular question before Legislatures to Members of the League and trust that the Government of India will accede to the request made herein.

No. 451-M. I. (10)-30, dated 12th June 1930, from the Government of India, to Chamber.

In reply to your letter No. 1165, dated the 2nd June 1930, on the above subject, I am directed to say that, for the reasons given by the Hon'ble Sir George Rainy in the replies to the supplementary questions put on the subject in the Legislative Assembly on the 24th March 1930, the Government of India do not consider it necessary to amplify or modify their replies to the questionnaire of the League of Nations.

Extract from the Legislative Assembly Debates, dated Monday, the 24th March 1930.

Consultation by the League of Nations re-Maritime Coasting Trade.

803. *Mr. Sarabhai Nemchand Haji* :—(*a*) Has the attention of Government been drawn to the consultation proposed to be held by the League of Nations on the subject of Maritime Coasting trade ; if so, when is the consultation going to take place ? (*b*) Has any questionnaire been issued by the League of Nations in this connection ? If so, do the Government propose to invite answers from the Indian Commercial Associations to the questionnaire ?

The Honourable Sir George Rainy : (*a*) The Advisory and Technical Committee for Communications and Transit of the League of Nations has referred to its permanent Committee on Ports and Maritime Navigation the examination of the meaning which the different States attach to the term " coasting trade " and the law and practices relating thereto. I presume that this is the consultation to which the Honourable Member refers. The Government of India have received no information in regard to any general conference of the League of Nations on this subject. (*b*) In connection with this enquiry, the Government of India have received a questionnaire from the League of Nations. As the questionnaire only asks for information in regard to the present position of the coasting trade of India under the existing laws and regulations, the Government of India do not propose to consult commercial associations before replying to the questionnaire.

Mr. Sarabhai Nemchand Haji : Would the present position regarding this point include the question of the Coastal Reservation Bill as reported by the Select Committee of this House ?

The Hon'ble Sir George Rainy: That is no part of the existing provisions of the law.

Mr. Sarabhai Nemchand Haji: But, Sir, would the attention of the authorities at Geneva be drawn to the fact that non-official efforts are being made to bring about a change in this matter?

The Hon'ble Sir George Rainy: I do not think, Sir, that that naturally arises under any question in the questionnaire.

Mr. Sarabhai Nemchand Haji: Would not the whole purpose of the replies of this Government be misleading to the International authorities if their attention was not drawn to the pending legislation?

The Hon'ble Sir George Rainy: No, Sir. When they ask merely for information as to the present position, I do not think they would naturally expect to receive information as to mere possibilities.

No. 3301, dated 6th October 1930, from Chamber to the Secretary General, League of Nations, Geneva.

I am directed by the Committee of this Chamber to send to you herewith copies of the correspondence passed between this Chamber and the Government of India, from which it will be seen that in the matter of the consultation by the League of Nations regarding the present position of legislation of the Maritime Coasting trade, the Government of India have declined to change their attitude regarding the question of forwarding to the League of Nations information asked regarding the present position of the Coasting Trade of India under the existing laws and regulations. It is evident that in the reply the Government of India are likely to refer only to the legislation as it exists; whilst my Committee are of opinion that if the League is to appreciate fully the present position of the Coasting Trade legislation, it is necessary that they should have before them up-to-date information which should include reference to measures before the Legislature, though they may not have reached the final stage of being put on the Statue book. My Committee will, therefore, like to draw the attention to the Coastal Traffic Reservation Bill, which purports to reserve for Indian nationals the Coasting Trade of India. As this is a question on which there is a divergence of opinion between the elected

Indian representatives in the Legislative Assembly on the one side and the Government of India, and non-Indian members on the other, it becomes, therefore, the more necessary to convey to the League the full facts of the case. No doubt it is true that under the law existing in India today the Coasting Trade of India is free, though in practice this freedom is tantamount to practical reservation of the Coasting Trade of India to British shipping interests. The Legislative Assembly in India through its elected Indian representatives has insisted that the Coasting Trade of India be reserved for Indian nationals by methods advocated in the Coastal Traffic Reservation Bill, a copy of which is herewith enclosed for information. It may be pointed out here that the principle underlying the Bill has been endorsed by the Indian Mercantile Marine Committee which was appointed by the Government of India. For ready reference a copy of the said Report is enclosed herewith. The aforesaid Coastal Traffic Reservation Bill, it may be added, was referred to a Select Committee of the Legislative Assembly. According to the constitutional practice in India, it means that the Assembly has approved of the principle underlying the Bill. The Select Committee has gone through the various clauses of the Bill and has passed it in the form as per enclosed copy. In this connection I may state that the Bill having reached this stage has lapsed on account of the dissolution of the old Assembly and the election of a new Assembly.

To give you an idea of the strength of the National feeling on this subject, a copy of the Debates that took place in the Legislative Assembly on the occasion of passing of the Select Committee motion is sent herewith.

No. 9-C-19392-2195, dated 4th November 1930, from the League of Nations, to Chamber.

I have the honour to acknowledge receipt of your letter of October 6th, 1930, with which you communicated to me copy of correspondence between the Indian Merchants' Chamber and the Government of India in connection with the League of Nations questionnaire relating to maritime coasting trade, together with a copy of the report of the Indian Mercantile Marine Committee, a copy of the Legislative Assembly Debates and of the Coastal Traffic Reservation Bill, for which I thank you.

APPENDIX XII.

DEVELOPMENT OF THE INDIAN MERCANTILE MARINE.

No. 3717, dated 21st November 1930, from the Chamber of the Government of India, Commerce Department.

A Shipping Conference was convened by His Excellency the Viceroy on the 3rd January 1930. After the close of this Conference, the Government of India issued a communique wherein they stated that they would take into consideration at an early date the issues raised in the discussion which took place at the Conference on the development of the Indian Mercantile Marine. It is more than 10 months since this announcement was made, and my Committee are anxious to know what action the Government of India have taken or propose to take in pursuance of this communique above referred to for the development of the Indian Mercantile Marine.

Extract from the Legislative Assembly Debate, dated the 23rd September 1929.

DEVELOPMENT OF THE INDIAN MERCANTILE MARINE.

748. *Sir Purshottamdas Thakurdas*: Will Government be pleased to state if they propose to take before the Delhi Session, any steps for the development of the Indian Mercantile Marine ?

The Honourable Sir George Rainy: Addressing the Annual Meeting of the Associated Chambers of Commerce in December last, His Excellency Lord Irwin referring to the Coastal Traffic Reservation Bill spoke as follows :

" But I think that I am correct in saying that the main impulse behind the Bill I have referred to is not a mere desire to secure for Indian capitalists the profits which now are made by British companies. Rather it is an ambition and who shall say that it is an unworthy ambition ?—that India should have its own mercantile marine should be officered as well as manned by Indians. The problem then as I see it is whether we can help India to realise this ambition without resort to methods of confiscation and I should like you to regard it from this point of view. Stated in this way the problem may be less difficult. I hope indeed that a solution may be found in a spirit of co-operation and goodwill

and I commend this to your consideration. For as the political progress of India seems to me the logical and necessary outcome of the political genius of the English people, just so should British and Indian industry and commerce work together, as allies rather than antagonists, for India's commercial and industrial advancement."

It is the earnest hope of the Government of India that, as stated by His Excellency, a solution of this difficult question may be found in a spirit of co-operation and goodwill and they would be reluctant to proceed upon other lines, until it was clear that there was no hope of an amicable settlement. They have therefore decided to bring the matter specially to His Excellency Lord Irwin's attention on his return to India in the hope that a full and frank discussion between the representatives of all the interest affected might lead to mutual understanding and agreement, and that the good offices of Government might contribute to a solution of the question of an adequate participation of Indian shipping in the coastal and overseas trade of India.

2. The possibility that an agreed settlement might in the end prove impossible must, of course, be faced. In that case, a situation would be created which Government could not ignore, and it would be necessary to explore fully the question by what means the obstacles in the way of the development of Indian shipping could be removed. In particular, the possibility of preventing the ruinous rate-wars from time to time break out upon the coast and the desirability of legislation to bring under control the system of deferred rebates and other trade practices which tend to restrict the freedom of the shipper would have to be examined, and also the question how far direct financial assistance by Government to Indian shipping could justifiably be given. These questions are full of difficulty, and the final outcome cannot now be predicted, but Government would be ready to set on foot the necessary inquiries directed towards the development of an Indian Mercantile Marine.

Mr. M. R. Jayakar: Will Government be pleased to state by what time they expect the result of the Conference to be made known to the public ?

The Hon'ble Sir George Rainy: I think, Sir, I cannot add to the statement I have just made. The matter will be brought

specially to the attention of His Excellency Lord Irwin on his return to India, but the action then to be taken will rest largely in His Excellency's hand, and I am afraid I am not in a position to amplify what I have said.

Mr. K. C. Neogy: Is it expected that the result of this Conference will be available to the public well in advance of the next Delhi Session ?

The Hon'ble Sir George Rainy: I think, Sir, that I can answer that question to this extent, that for obvious reasons any prolonged delay in initiating any discussion that may take place is very much to be deprecated, and I am quite sure that the importance of this consideration will be present to the minds both of the Government of India and of His Excellency.

Mr. Jamnadas M. Mehta: What is meant by the phrase " all interests "?

The Hon'ble Sir George Rainy: I am afraid I cannot amplify further what I have said.

Mr. Jamnadas M. Mehta: Surely there ought to be some meaning for the phrase " all interests ."

The Government of India have issued the following Communique on 6th January 1930 : —

> " The Government of India will take into consideration at an early date the issues raised in the discussion which took place at the Conference on the development of an Indian Mercantile Marine as soon as it has been possible fully to consider these issues. The responsibility will rest with the Government of India of deciding what action should now be taken and whether any useful purpose would be served by inviting the interests concerned to meet again."

No. 20-M-1 (2)-31, dated 12th March 1931, from the Government of India, to Chamber.

With reference to your letter No. 3717, dated 21st November 1930, I am directed to forward for information a copy of the answer given in the Legislative Assembly on the 29th January 1931 in reply to a question on the above subject by Mr. S. C. Sahani.

DEVELOPMENT OF THE INDIAN MERCANTILE MARINE.

Mr. S. C. Sahani: (*a*) Will the Government be pleased to state whether any action has been taken to give effect to the statements and promises contained in their communique, dated the 6th January, 1930, wherein they definitely undertook adoption of measures for the development of the Indian Mercantile Marine, as soon as it had been possible for them to consider fully the issues raised in the discussions which took place at the conference convened by them on the 3rd February 1930 ? If not, what are the reasons ?

(*b*) What steps do they propose to take for the development of the Indian Mercantile Marine and particularly towards the Indianisation of the coastal trade, in pursuance of the communique referred to above ?

The Hon'ble Sir George Rainy: (*a*) and (*b*). On the 23rd September 1929, in answer to a question by Sir Purshotamdas Thakurdas, I said that it was the earnest hope of the Government of India that a solution of the difficult question of promoting the development of the Indian Mercantile Marine might be found in a spirit of co-operation and good will. At the beginning of 1930, in the hope of bringing about such a solution, a Conference representative of the British and Indian commercial communities was held at Delhi under the Presidency of the Governor General. No settlement was reached at the Conference, and the following communique was issued on the 6th January 1930 :—

> " The Government of India will take into consideration at an early date the issues raised in the discussions which took place at the Conference on the development of the Indian Mercantile Marine. As soon as it has been possible fully to consider these issues, the responsibility will rest with the Government of India of deciding what action should now be taken and whether any useful purpose would be served by inviting the interests concerned to meet again."

Before any decision could be reached, it became obvious that the political atmosphere had become wholly unfavourable to a settlement by agreement, and the Government of India felt that no purpose could be served by re-opening the discussions. The

problem, therefore, still remains unsolved. But the Government of India have not modified their opinion that what should be aimed at is a settlement by consent, and they are hopeful that, before long, there may be opportunities for renewed efforts in that direction.

It is obvious from the deliberations of the Round Table Conference that many important questions, in which both British and Indian commercial opinions are interested will have to be discussed fully, and if they are approached in the spirit displayed at the Conference itself, agreement should be possible. Until it is clear that an agreed settlement cannot be reached, the Government of India would be reluctant to proceed with the question upon other lines.

APPENDIX XIII.

DIRECT ENTRY OF THE CADETS OF THE I.M.M.T. "DUFFERIN" TO THE ROYAL INDIAN MARINE.

No. 3694, dated 16th November 1930, from Chamber to Government of India, Commerce Department.

I am directed by my Committee to write to you in connection with the grant of the privilege of direct entry to the Royal Indian Marine to the cadets of the I. M. M. T. S. " Dufferin ".

My Committee would like to draw your attention to the recommendations made by the Indian Mercantile Marine Committee in 1924 on this subject, in Chapter V of their Report. They have pointed out therein that the Indianisation of the services of the Royal Indian Marine is a matter of importance and that the preliminary training necessary for the purpose should take place in the Training Ship. My Committee would also like to point out that cadets for entry into the Training Ship " Dufferin " are selected from those who sit at the competitive examination which is open to the whole of India.

My Committee understand that the Lords Commissioners of the Admiralty have granted to the Training Ships " Worcester " and " Convey " and the Nautical College of Pangborne the privilege for direct entry into the Royal Navy to a certain number of cadets and also that the Training Ship " General Botha " in South

Africa has also been granted this privilege, while no such privilege has been extended by the Government of India to the cadets of the Training Ship " Dufferin " for direct entry into the Royal Indian Marine.

In view of all these facts my Committee hope that the future recruits to the Commissioned ranks of the Royal Indian Marin will be chosen from the cadets of the Training Ship " Dufferin." They would, therefore, urge upon the Government of India to be pleased to extend the privilege of direct entry into the Royal Indian Marine to the cadets of the Training Ship " Dufferin ".

No. 156-M-11-30, dated 5th December 1930, from the Government of India, to Chamber.

With reference to your letter No. 3694, dated the 19th November 1930, on the above subject, I am directed to say that the matter is under the consideration of the Government of India.

APPENDIX XIV.

GRANT OF LICENSE TO MEDICAL PRACTITIONERS IN PORT AREA.

The Correspondence is not published here as the same is marked " Confidential " Refer to File No. R. 129 of 1930.

APPENDIX XV.

PROPOSED RULES IN REGARD TO PROVISION OF FIRE EXTINGUISHING APPARATUS ON PILGRIM SHIPS.

No. 6202-11-E, dated 19th June 1930, from the Government of Bombay, Political Department, to Chamber.

I am directed by the Governor in Council to forward herewith a copy of Government Resolution No. 6202-II, dated the 19th June 1930, relating to the draft rules in regard to the provision of fire extinguishing apparatus on board pilgrim ships and to request that the views of your Chamber thereon may be communicated to Government by the 10*th August* 1930 at the latest.

PILGRIM SHIPS.

Proposed new rules for in regard to Provision of fire extinguishing apparatus.

GOVERNMENT OF BOMBAY, POLITICAL DEPARTMENT, RESOLUTION No. 6202-II, DATED 19TH JUNE 1930.

Letter from the Government of India, Department of Education, Health and Lands, No. 1249-H(G), dated the 11th June 1930.

In continuation of this Department letter No. 1322-H(G), dated the 1st August 1928, I am directed to forward a copy of this Department Notification *No. 1248-H(G), dated the 11th June 1930, publishing for criticisms the draft of certain rules which it is proposed to make for pilgrim ships, under Section 213 (1) of the Indian Merchant Shipping Act, 1923 (XXI of 1923), in regard to the provision of fire extinguishing apparatus. The rules are based on the Fire Extinguishing Appliances (Native Passenger Ships Rules, 1929, which were published with the Government of India, Department of Commerce, Notification No. 52-MI-29, dated the 27th April 1929, in so far as the latter apply to steam ships, which alone can at present be used as pilgrim ships under the provisions of Section 200 (*1*) of the Indian Merchant Shipping Act. I am to request that the rules may kindly be brought to the notice of commercial and other interests affected and that their views may be communicated to the Government of India together with the observations of the local Government not later than the 15th September 1930."

RESOLUTION.—Copies of the letter from the Government of India and accompaniment should be forwarded to the Principal Officer, Mercantile Marine Department, Bombay District, the Commissioner in Sind, the Commissioner of Police, Bombay, the Resident and Commander-in-Chief, Aden, the Chairmen, Bombay, Karachi and Aden Port Trusts, the Chambers of Commerce, Bombay and Karachi, the Indian Merchants' Chamber, Bombay, the Buyers' and Shippers' Chamber, Karachi, and the Karachi Indian Merchants' Association, and they should be requested to communicate to Government, not later than the 10th August 1930, their

* Printed as an accompaniment to this Government Resolution.

views on the draft rules relating to the provision of fire extinguishing apparatus on board pilgrim ships. The Chairmen, Karachi and Aden Port Trusts, should submit their reports through the Commissioner in Sind and the Resident and Commander-in-Chief, Aden, respectively.

2. The Principal Officer, Mercantile Marine Department, Bombay District, the Commissioner in Sind and the Resident and Commander-in-Chief, Aden, should be requested to forward with their remarks the opinions of the Shipping Companies concerned within their respective jurisdictions.

3. The Commissioner in Sind and the Commissioner of Police, Bombay, should also be requested to submit with their remarks the views of any other bodies or individuals interested in the matter.

By order of the Governor in Council,

C. W. A. TURNER,

Secretary to the Government of Bombay,

Political Department.

No. 1248-H(G), Government of India, Department of Education, Health and Lands, dated Simla, 11th June 1930.

NOTIFICATION.—The following draft of certain rules which it is proposed to make in exercise of the powers conferred by Sub-section (1) of Section 213 of the Indian Merchant Shipping Act, 1923 (XXI of 1923), is published, as required by Sub-section (3) of the said section, for the information of all persons likely to be affected thereby and notice is hereby given that the said draft will be taken into consideration on or after the 15th September 1930.

Any objection or suggestion which may be received in respect of the draft before the said date will be considered by the Governor General in Council.

(Sd.) F. NOYCE,

Secretary to the Government of India.

To

THE PUBLISHER, *Gazette of India.*

Draft Rules.

1. (*1*) These rules may be called the Fire Extinguishing Appliances (Pilgrim Ships) Rules, 1930.

(*2*) They apply to pilgrim ships, and shall come into force on the 1st day of February 1931 from which date rules 11 to 15 of the rules published with the notification of the Government of India in the Home Department No. 1902 (Sanitary), dated the 14th October 1910, shall be cancelled :

Provided that these rules shall not apply and Rules 11 to 15 of the rules published with the said notification shall continue to apply to pilgrim ships with regard to which a certificate of survey was granted before the 1st day of February 1931 under Section 136 or Section 144 of the Indian Merchant Shipping Act, 1923, while such certificate is in force.

2. In these rules "approved" means approved by the Governor General in Council.

Spaces occupied by passengers and crew.

3. (*1*) On every ship of more than 4,000 tons gross tonnage, at least three, and on every other ship at least two, steam or equivalent pumps shall be available for the spaces occupied by passengers and crew : provided that more than two pumps shall not be required on ships whose keels were laid before the 1st February 1931. Each such pump shall be capable of providing a full supply of water, in accordance with the requirements specified in Sub-rule (1) of Rule 6, to one or more ranges of water service pipes. The service pipes shall be of metal, with branches so arranged that the fire hoses may be coupled thereto, and two powerful jets of water may be rapidly and simultaneously brought to bear, by means of single lengths of hose from each branch, upon any part of each deck space occupied by passengers or crew, when the water-tight and fire doors are closed. Where the water service is on an exposed deck, the branches necessary to comply with the foregoing requirements shall, in the case of vessels whose keels are laid after the 1st February 1931, be fitted on both sides of the deck :

Provided that the main engine sanitary pump shall be allowed to count as one of the pumps required to be available if it is so fitted as to be capable of serving the purpose of such pump.

(2) Every ship shall carry an efficient portable hand pump with suction and hose complete.

(3) Portable chemical fire extinguishers of an approved pattern shall be carried in every compartment wherein passengers and crew are accommodated. There shall be two extinguishers in each such compartment, and when passengers are carried in enclosed spaces above the upper deck, there shall be at least one extinguisher on each side of such spaces at intervals of not more than 60 feet.

4. On every ship arrangements shall be made whereby two powerful jets of water may be rapidly and simultaneously directed into any cargo compartment, and, save in the case of a ship of less than 1,000 tons gross tonnage, satisfactory means shall also be provided whereby steam or other gas incapable for supporting combustion may be conveyed to each such compartment.

Cargo spaces.

5. (1) Arrangements shall be made in ships which use coal as fuel whereby two powerful jets of water can be rapidly and simultaneously directed into any part of the coal bunker spaces, boiler rooms and machinery spaces.

Machinery and bunker spaces:

(3) In ships in which the main boilers are oil fired the following additional arrangements shall be made :—

(a) The fire hoses in the machinery spaces shall be provided with additional conductors suitable for spraying water on oil without undue disturbance of the surface.

(b) In each firing space there shall be placed a receptacle containing 10 cubic feet of sand, sawdust impregnated with soda, or other approved dry material; and scoops for distributing the same.

(*c*) In each boiler room, and in each of the machinery spaces in which a part of the oil fuel installation is situated, there shall be provided two approved portable chemical extinguishers of a type discharging froth or other approved medium suitable for quenching oil fires.

(*d*) Means shall be provided whereby froth may be rapidly discharged and distributed over the whole of the lower parts of any boiler room, or of any machinery space in which oil fuel units or settling tanks may be situated. The quantity of froth which can be discharged should be amply sufficient to cover upto a depth of 6 inches the whole area of the plating formed in any one compartment by the inner bottom plating, or by the shell plating of the vessel if there is no double bottom tank. If the engine and boiler rooms are not entirely separate, and fuel oil can drain from the boiler room bilges into the engine room, the combined engine and boiler rooms shall be treated as one compartment. Provided that if other effective means are available for combating fire and the apparatus can be controlled from outside the compartment in which fire may occur, the Governor General in Council may exempt from the requirements of this clause ships whose keels were laid before the 1st February 1931 on which it would not be reasonable to require the fitting of large froth installations.

(*e*) There shall further be provided one extinguisher of at least 30 gallons capacity in ships having one boiler room, and two such extinguishers in ships with more than one boiler room. These extinguishers shall be provided with hoses on reels suitable for reaching any part of the boiler rooms and spaces containing oil fuel pumping units. Provided that the Governor General in Council may permit the fitting of any other equally efficient apparatus in place of the 30 gallons extinguisher.

(*f*) All containers and valves by which they are operated shall be easily accessible and so placed that they will not readily be cut off from use in case of fire.

Pumps.

6. (*1*) In all ships each of the steam or equivalent pumps shall be capable of supplying simultaneously two powerful jets of water for use in any part of the vessel. The pumps shall be worked by steam or by some other equally efficient motive power, and shall always be available for immediate use at all reasonable times when the vessel is in commission.

(*2*) All steam or equivalent pumps shall be provided with effective escape valves suitably adjusted and so placed as to prevent excessive pressure in any part of the water service system.

Water service pipes.

7. The main water service pipes shall be made of wrought material, and, if of iron or steel, shall, in the case of vessels whose keels were laid after the 1st February 1931, be galvanised. They shall be sufficiently large in diameter for the adequate supply of water to the fire hoses which shall be secured to them for simultaneous operation. The branches shall be so placed that the fire hoses may be conveniently coupled to them, and cocks or valves shall be fitted where required to admit of any hose being removed, if desired, while the pumps are at work.

Fire Hoses.

8. (*1*) The fire hoses shall be of leather, seamless hemp, flax canvas of first-class quality, or other approved material. They shall be provided with suitable metal unions and conductors, and with goose-neck connections where necessary.

(*2*) A sufficient number of fire hoses with attachments and conductors shall be suitably distributed about different decks in the ships so as to be readily available for rapid use in any space occupied by passengers or crew, and not less than three hoses and attachments shall be provided in any vessel.

(*3*) The fire hoses and the conductors, and other apparatus referred to in sub-rules (1) and (2), together with coupling wrenches if required, shall be kept ready for use in conspicuous positions near the water service hydrants or connections. They shall be

used only for the purposes of extinguishing fires or for testing the fire extinguishing apparatus at fire drills and surveys and not for washing decks.

Arrangements for injecting steam or other gas into Cargo Spaces and Boiler Rooms.

9. Where provision is made for the injection of steam or other gas into the cargo spaces and boiler rooms for fire extinguishing purposes the necessary pipes for conveying the steam or gas to holds or other compartments shall be provided with controlling valves or cocks readily accessible from the deck and so marked as to indicate clearly the compartments to which the pipes are respectively led. Suitable provision shall be made for locking these valves or cocks so as to prevent inadvertent admission of the steam or gas to any compartment. If any pipe is led to a space to which passengers have access, it shall be furnished with an additional stop valve or cock also capable of being locked. Provided that the Governor General in Council may permit the substitution of any other equally efficient safety device giving the requisite security from danger.

Fluid Fire Extinguishers.

10. (*1*) A sufficient number of approved portable fluid fire extinguishers discharging water shall be provided in accordance with the requirements of Rules 3 and 5. For ordinary purposes not specifically referred to in these rules, the capacity of *portable* extinguishers shall be not more than three imperial gallons, and not less than two imperial gallons, provided the Governor General in Council may, in his discretion, permit the use of an extinguisher of less than two gallons capacity in special circumstances.

(*2*) An approved type of portable extinguisher discharging a medium other than water may in the case of not more than 20 per cent. of the total number of extinguishers required to be carried be substituted for the ordinary water-discharging extinguisher.

(*3*) The portable hand fluid fire extinguishers (apart from those supplied in boiler rooms, etc., specially for use in connection with oil fuel) shall not be of more than two types in any one ship.

(*4*) All extinguishers, whether portable or otherwise, shall be placed in positions where they are readily accessible.

Smoke helmet and safety lamps.

11. At least two smoke helmets and two safety lamps of approved types shall be included in the fire extinguishing equipment of every vessel and the helmets shall be stowed separately. The members of the crew shall be practised regularly in their use.

Emergency appliances.

12. The necessary emergency fire appliances such as knives, axes and crowbars, shall be kept in a place readily accessible at all times from different parts of the ship.

Fire drill.

13. Fire drill shall be observed at least once a week on board all vessels and during such drill all fire appliances shall be put into use and the fact entered in the Log Book. The great utility of woollen or asbestos blankets for smothering small fires shall always be impressed on all persons taking part in a fire drill.

Custody of fire apparatus and fire patrol.

14. (*1*) The fire apparatus shall be placed by the master under the special charge of one of the principal officers of the ship and of the ship's carpenter, who shall both be held responsible that the apparatus is kept in a state fit for immediate use. As soon as possible after leaving port, the officers and crew shall be divided into parties and as signed to stations in case of fire.

(*2*) A continuous patrol system shall be organised so that any outbreak of fire may be promptly detected.

Stowage of cargo and disposal of inflammables.

15. (*1*) The cargo of every ship shall, before she leaves port, be properly stowed away, and the decks shall be cleared of any loose straw, hay and other inflammable material. Any goods which are dangerous by reason of their inflammability or liability to explosion shall be stowed, subject to the provisions of any law or rules in force, in such manner as to safeguard the ship from danger of fire or explosion. The tanks or motor cars carried on the ships shall be drained before loading.

(*2*) Before a ship leaves port, every passenger shall deliver up any lucifer matches, gun-powder or other inflammable article in his possession.

16. Naked lights shall not be used in the holds or store rooms or between decks, except under trustworthy superintendence. No person shall read in bed with a naked light. Casks or drums containing spirit shall not be opened in the hold but shall be hoisted on deck for the purpose.

Use of naked lights and spirits.

17. In the case of a small vessel under 200 feet in length when it is shown to be unreasonable to require full compliance with any of the provisions of these rules, such relaxation shall be granted as the Governor-General in Council may, having regard to all the circumstances of the case, direct.

Penalty.

18. Whoever does any act in contravention of any of the provisions of these rules shall be punishable with fine which may extend to two hundred rupees.

Penalty.

No. 3307, dated 9th October 1930, from Chamber to the Government of Bombay.

With reference to your letter No. 6202-11-E, dated the 19th June 1930, my Committee have now considered the rules in regard to the provision of Fire extinguishing apparatus on board pilgrim ships, and are in general agreement with the same. I am, however, to point out that the expression " sufficiently large " occurring in Rule 7 in connection with the diameter of the water service should be made more specific, and instead, to suggest that the following words be substituted :

" not less than 3½ inches at the pump and 2½ inches elsewhere."

APPENDIX XVI.

PROPOSED NEW RULES IN REGARD TO SIGNALS OF DISTRESS ON PILGRIM SHIPS.

No. 6202-11-E, dated 16th July from the Government of Bombay, Political Department to Chamber.

I am directed by the Governor in Council to forward herewith a copy of Government Resolution No. 6202-II, dated the 16th July 1930, regarding the proposed new rules relating to signals of

distress on pilgrim ships, and to request that you will be so good as to communicate to Government by the 10th September 1930, at the latest any observations which your Chamber may desire to make thereon.

PILGRIM SHIPS.

Proposed new rules for—under section 213 (1) of the Indian Merchant Shipping Act, 1923, in regard to signals of distress.

GOVERNMENT OF BOMBAY, POLITICAL DEPARTMENT,

RESOLUTION NO. 6202-II, DATED 16TH JULY, 1930.

Letter from the Government of India, Department of Education, Health and Lands, No. 1436-H (G), dated the 8th July 1930.

In continuation of this Department Letter No. 1322-Health (*G*), dated the 1st August 1928, I am directed to say that the Government of India think it desirable to bring up to date the rules relating to the making of signals of distress on pilgrim ships. A copy of this Department Notification* No. 1413-H(G), dated the 3rd July 1930, publishing for criticism the draft of certain rules which it is proposed to make for such ships, under section 213 (1) of the Indian Merchant Shipping Act, 1923 (XXI of 1923), in regard to signals of distress, is enclosed. The proposed rules are based on the Signals of Distress (Native Passenger Ships) Rules, 1929, which were published with the Government of India, Department of Commerce Notification No 53-M.I-29, dated the 27th April 1929. I am to request that they may kindly be brought to the notice of Commercial and other interests affected and that their views may be communicated to the Government of India with the observations of the local Government not later than the 5th October 1930.

RESOLUTION.—Copies of the letter from the Government of India and accompaniment should be forwarded to the Principal Officer, Mercantile Marine Department, Bombay District; the Commissioner in Sind; the Commissioner of Police, Bombay; the Resident and Commander-in-Chief, Aden; the Chairmen, Bombay,

* Printed as an accompaniment to this Resolution.

Karachi and Aden Port Trusts, the Chambers of Commerce, Bombay and Karachi; the Indian Merchants' Chamber, Bombay; the Buyers' and Shippers' Chamber, Karachi; and the Karachi Indian Merchants' Association and they should be requested to communicate to Government, not later than 10th September 1930, their views on the draft rules relating to signals of distress on pilgrim ships. The Chairmen, Karachi and Aden Port Trusts, should submit their reports through the Commissioner in Sind and the Resident and Commander-in-Chief, Aden, respectively.

2. The Principal Officer, Mercantile Marine Department, Bombay District; the Commissioner in Sind and the Resident and Commander-in-Chief, Aden, should be requested to forward with their remarks the opinions of the Shipping Companies concerned within their respective jurisdictions.

3. The Commissioner in Sind and the Commissioner of Police, Bombay, should be requested to submit with their remarks the views of any other bodies or individuals interested in the matter.

(By order of the Governor in Council)

G. W. McELHINNY,

For Secretary to the Government of Bombay,

Political Department.

Republished in the *Bombay Government Gazette* under Government Notification, Political Department, No. 6353, dated the 8th July 1930, page 1750, Part I of the "*Bombay Government Gazette.*"

Department of Education, Health and Lands,

Notification No. 1413 H G, dated Simla, the 3rd July 1930.

The following draft of certain rules which it is proposed to make in exercise of the powers conferred by sub-section (1) of section 213 of the Indian Merchant Shipping Act, 1923 (XXI of 1923), is published as required by sub-section (3) of the said section, for the information of all persons likely to be affected thereby, and notice is hereby given that the said draft will be taken into consideration on or after the 5th October 1930.

Any objection or suggestion which may be received in respect of the draft before the said date will be considered by the Governor-General in Council.

Draft Rules.

1. (*1*) These rules may be called the Signals of Distress (Pilgrim Ships) Rules, 1931.

(*2*) They apply to pilgrim ships, and shall come into force on the 1st day of February 1931 from which date rule 18 of the rules published with the Notification of the Government of India in the Home Department No. 1902 (Sanitary), dated the 14th October 1910 shall be cancelled.

Provided that these rules shall not apply and Rule 18 of the rules published with the said Notification shall continue to apply to pilgrim ships with regard to which a certificate of survey was granted before the 1st day of February 1931, under Section 136 or Section 144 of the Indian Merchant Shipping Act, 1923, while such certificate is in force.

2. In these rules—

(*1*) " Approved " means approval by the Governor-General in Council.

(*2*) " Surveyor " means a Surveyor appointed under Section 129 of the Indian Merchant Shipping Act, 1923.

Signals of distress.

3. Any of the following commonly recognised night signals of distress may be used either together or separately :—

(*1*) A gun or other explosive signal fired at intervals of about a minute.

(*2*) Flames of the vessel (as from a burning tar or oil barrel).

(*3*) Rockets or shells, throwing stars of any colour or description, fired one at a time at short intervals.

(*4*) A continuous sounding with any fog signal apparatus.

4. All ships shall be provided with the means of making signals of distress at night specified in Rules 5 to 8 or, in lieu thereof, with such other means of making signals of distress as have been previously approved.

Means of making signals of distress to be provided.

5. (*1*) One gun at least 3½ inches in the bore, or one mortar at least 5½ inches in the bore, shall be carried on all ships, with 24 charges of ammunition in the case of foreign going ships, and 12 charges in the case of home-trade ships.

Gun.

(*2*) Each charge shall contain 16 ozs. of powder in a flannel bag. The necessary requisites for firing the gun, *namely*, rammers, sponges, wads, priming wires, friction tubes, powder flasks, with fine powder for priming and means for firing and withdrawing the charges, shall also be provided.

(*3*) Approved socket distress signals and sound signal rockets may be carried in lieu of a gun, provided that the number of signals so carried shall be equal to the number of charges of ammunition required under Sub-rule (1).

6. Two deck flares, self-igniting in water, shall be provided in every ship. Such deck flares shall be capable of burning brightly for at least 40 minutes. Full instructions for use shall be attached to each flare, and suitable receptacles for containing the water required for their combustion shall be provided, efficient means being adopted for ensuring free flow of water to the bottom of the light.

Deck flares.

7. (*1*) Twelve rockets or shells, throwing stars of any colour or description, shall be supplied, each rocket containing 16 ozs. of composition.

Rockets and Socket Signals.

(*2*) Approved socket distress signals may be supplied in lieu of rockets, provided that the number of signals so supplied shall be equal to the number of rockets required under Sub-rule (1). If socket signals are also carried in lieu of a gun and charges of ammunition, the number shall be equal to the total number of charges of ammunition and of rockets required under Sub-rule (1) of Rule 5 and Sub-rule (1) of this rule. Socket signals shall be fired only from the sockets supplied by the makers of the signals.

(3) The socket used for firing the socket signals shall in all cases be fixed at an angle which shall approximate as closely as possible to, but shall not be less than 20 degree from the perpendicular, so as to obviate the risk of a signal falling on the vessel's deck if it fails to raise to the usual height. The sockets shall be of sufficient strength, and of such a gauge as to ensure that the signals will rise to a safe height before exploding.

(4) In all cases where socket signals are carried there shall be at least two sockets, one forward and one aft, on opposite sides of the vessel.

Lifebuoy lights.

8. Lifebuoy lights, all of which shall open and release automatically and shall be self-igniting and provided with means for attachment to lifebuoys, shall be supplied in every ship for half the number of lifebuoys carried subject to a maximum of six. Lifebuoy lights fitted with prickers shall not be accepted. Ships fitted with bridges shall carry a lifebuoy in beckets or cleats attached to or adjoining each side of the navigating bridge in such a manner as to admit of their instantaneous release and to ensure their dropping clear of the ship's side. Each such lifebuoy shall have a self-igniting light attached to it. The other lifebuoy lights shall be distributed among and attached to the other lifebuoys to the Surveyor's satisfaction. All of the lifebuoy lights shall be capable of burning brightly in water for at least 40 minutes. Full instructions as to how the lights should be used shall be attached to each of them.

Testing and renewal of signals.

9. All pyrotechnic signals shall be clearly and permanently marked or stamped with the date of manufacture. Adhesive labels or painted figures alone shall not be accepted in lieu of such marking or stamping. Where sheet brass labels are used in contact with tin cases, the brass plates shall be properly soldered on and there shall be no corrosion of the canister.

Stowage of signals and combustibles.

10. (1) A separate, detached, and completely enclosed receptacle shall be provided for *each* of the following kinds of explosives :—

(i) gun powder or cartridges made therewith ;

(ii) rockets ;

(iii) socket signals;
(iv) deck flares and lifebuoy lights;
(v) any other description of pyrotechnic signals.

(*2*) Such separate receptacles shall not be made merely by divisions or partitions in a cupboard or locker or chest, but each such receptacle shall be a separate magazine, exclusively appropriated to the keeping of explosives of the kind in question. Charges of powder, if carried, shall be contained in flannel bags, and the magazine in which they are kept shall be made of copper and strongly constructed. To prevent injury to the rockets and other signals, the receptacles shall either be internally divided in such a way that the signals can be stowed vertically, or they shall be of roughly the same length as the signals, but sufficiently narrow to prevent the signals being turned round. The lids shall be secured by hinges or brass screws so as to permit of an inspection being made without injury to the case. The receptacles shall, where possible, be kept in a house on deck, and stowed or ranged as far apart as circumstances will permit, so that in the event of spontaneous combustion, or of risk of any sort arising any of the cases may be at once removed. Where the socket signals are supplied by the manufacturer in wooden boxes with a tin box inside containing the friction tubes, no other receptacle shall be required for the latter.

(*3*) No article of an explosive or highly inflammable character shall be carried in any room or place in which any receptacle containing distress signals is deposited.

11. In the case of a small vessel under 200 feet in length when it is shown to be unreasonable to require full compliance with any of the provisions of these rules, such relaxation shall be granted as the Governor-General in Council may, having regard to all the circumstances of the case, direct.

12. Whoever does any act in contravention of any of the provisions of these rules shall be punishable with fine which may extend to two hundred rupees.

Penalty.

F. NOYCE,

Secretary to the Government of India.

No. 3308, dated 19th October 1930, from Chamber to the Government of Bombay.

With reference to your letter No. 6202-11-E, dated the 16th July 1930, on the above subject, I am directed to say that my Committee are in general agreement with the draft rules.

APPENDIX XVII.

DRAFT CONVENTION AND RECOMMENDATION CONCERNING THE PROTECTION OF WORKERS AGAINST ACCIDENTS IN LOADING AND UNLOADING OF SHIPS.

Copy of letter No. 7571-E, dated 25th March 1930, from Chief Secretary, Political Department, Bombay, to the Secretary, Indian Merchants' Chamber, Bombay.

I am directed by the Governor in Council to forward herewith copies of a letter from the Government of India, Department of Commerce, No. 465-M. I(2)-30, dated the 4th March 1930, and its accompaniments, and to request that you will be so good as to favour Government with the views of your Chamber as regards the desirability of ratifying the Convention and accepting the Recommendations concerning the protection against accidents of workers employed in loading or unloading ships. I am also to request that these views may be communicated so as to reach Government not later than 20th April 1930.

Copies of letter from the Government of India, Department of Commerce No. 465-M-I. (2)-30, dated the 4th March 1930 and accompaniments.

I am directed to forward a copy of the Draft Convention and of the Recommendations concerning the protection against accidents of workers employed in loading or unloading ships, which

were adopted by the International Labour Conference at its Twelfth Session held at Geneva in May-June 1929.

2. I am to request that the Government of India may be favoured with the views of the local Government as regards the desirability of ratifying the Convention and accepting the Recommendations after consulting the Bombay, Karachi and Aden Port Trusts and such other port authorities, shipping interests and commercial bodies as may be considered necessary.' I am, however, to make the following observations on the subject.

3. The Draft Convention follows very closely the English Dock Regulations of 1925. In this connection, I am to refer to this Department's letter, No. 712-S. (3), dated the 5th September 1928, with which was forwarded a copy of the English Dock Regulations and in which the Government of India sought the opinions of maritime local Governments as to the desirability of protecting by legislation workers employed in India in loading and unloading ships. An examination of the replies received to that letter pointed to the conclusion that the weight of opinion would on the whole be in favour of legislation with the object of framing regulations for India on the lines of the English Dock Regulations. So far, therefore, as the more important ports and ships engaged in maritime navigation are concerned, the Government of India are provisionally of opinion that the protective measures prescribed by the Convention are not unsuited to Indian conditions. As regards ships engaged in inland navigation and the less important ports, I am to invite attention to the provisions of Article 15 of the Convention which permit of the grant of exceptions in respect of places at which the processes of loading and unloading are only occasionally carried on or the traffic is small and confined to small ships or in respect of certain classes of ships or ships below a certain small tonnage and to enquire whether, in the opinion of the local Government, it would be necessary, should the Convention be ratified on behalf of India, to grant exemptions in respect of the less important ports, ships engaged solely in inland navigation and the wharves and similar places used solely by such ships. If any such exemptions are considered necessary, the Government of India would be glad if they could be informed of the exact nature which, in the opinion of the Local Government, the exemptions should take.

4. In this connection, I am also to invite attention to Article 17 (2) of the Convention which requires that provision shall be made for an efficient system of inspection, and to observe that, should the Convention be ratified, although the Act passed for the purpose of carrying out the Convention would be an Act of the Indian Legislature, the Government of India are of opinion that the administration of the Act, including the provision of an efficient inspectorate, would devolve upon the local Governments, as " Welfare of labour " is a provincial subject, (*vide* item 26 (*g*) in Part II of Schedule to the Devolution Rules).

5. With reference to Article 4 of the Convention, I am to enquire whether the rules framed under Section 6(1) (*k*) of the Indian Ports Act, 1908, and the provisions of the Inland Steam Vessels Act, 1917, adequately meet the requirements of this Article.

6. With regard to the Recommendation concerning reciprocity as regards the protection against accidents of workers employed in loading or unloading ships, the Government of India consider that reciprocity is desirable, and that, if the Convention is ratified on behalf of India, there would be no objection to this Recommendation being accepted.

7. Should the Convention be ratified, there would also probably be no objection to the acceptance of the Recommendation concerning the consultation of workers' and employers' organisations in the drawing up of regulations dealing with the safety of workers employed in loading or unloading ships, but the Government of India would be glad to have the views of the local Government on this matter. It will be noticed that the Recommendation permits of consultations being conducted either directly with the workers' and employers' organisations or through any special joint machinery recognised for the purpose.

8. As under the procedure governing these Conventions, action has to be taken within a specified time, I am to request that a reply to this letter may be furnished at an early date and, if possible, by the 15th May 1930.

(*Note :* the Convention is not reproduced here : but can be found in file No. 109 of 1930.)

No. 3310, dated 9th October 1920, from Chamber, to the Government of Bombay.

With reference to your letter No. 7175-E, dated the 25th March 1930, I am directed by my Committee to invite a reference to this Office letter No. 2180, dated 26th September 1928, a copy of which is enclosed for ready reference. Therein my Committee wanted information as to the number and nature of such accidents and they regret that the information, which is very germane to the question under consideration, has not so far been supplied.

They note in the observations made by the Government of India that they " are provisionally of opinion that the protective measures prescribed by the Convention are not unsuitable to Indian conditions." As pointed out by my Committee in their letter, dated 5th December 1928, many of the precautions suggested have been taken by the authorities and the shipowners, and hence they are of opinion that there is no need for legislation on the subject.

My Committee, however, have no objection to the Convention and the Recommendations being ratified, provided places, at which loading and unloading are only occasionally carried on or where the traffic is small, are exempted from the full operation of the same.

As regards Article 9, regarding the institution of an outside agency for inspection, my Committee feel that this would entail an additional charge on shipping which is not justified. My Committee, have however, no objection to the machinery etc. being maintained upto proper standard and a fixed test.

My Committee are in agreement with the recommendations for reciprocity.

My Committee endorse the recommendation that in drawing up regulations dealing with the safety of workers, Employers and Workers Organisations should be consulted and that accordingly Associations of Indian Shipowners and Seamen should be consulted in the matter.

APPENDIX XVIII.

DRAFT RULES IN REGARD TO LIFE SAVING APPLIANCES ON PILGRIM SHIPS.

No. 6202-II-E, dated 22nd August 1930, from the Government of Bombay, Political Department, to Chamber.

I am directed by the Governor in Council to forward herewith a copy of Government Resolution No. 6202-II, dated the 15th August 1930, relating to life saving appliances on pilgrim ships, and to request that the views of your Chamber thereon may be communicated to Government by the 10th October 1930, at the latest.

PILGRIM SHIPS—PROPOSED NEW RULES FOR—UNDER SECTION 213 (1) OF THE INDIAN MERCHANT SHIPPING ACT, 1923, IN REGARD TO LIFE SAVING APPLIANCES.

Government of Bombay, Political Department Resolution, No. 6202-II, dated 15th August 1930.

Letter from the Government of India, Department of Education, Health and Lands, No. 1576-H (G), dated the 30th July 1930:—

"In continuation of this Department letter No. 1322-Health (G), dated the 1st August 1928, I am directed to forward a copy of this Department Notification* No. 1462-H (G), dated the 23rd July 1930, publishing for criticism the draft of certain rules which it is proposed to make for pilgrim ships, under section 213 (1) of the Indian Merchant Shipping Act, 1923 (XXI of 1923), in regard to life saving appliances. These draft rules are based on Life Saving Appliances (Native Passenger Ships) Rules, 1929, which were published with the Government of India, Department of Commerce, Notification No. 51-M.I-29, dated the 27th April 1929, in so far as the latter apply to foreign-going native passenger ships of the second class. I am to request that the proposed rules may kindly be brought to the notice

* Printed as an accompaniment to this Resolution.

of commercial and other interests affected and that their views may be communicated to the Government of India not later than the 31st October 1930."

RESOLUTION.—Copies of the letter from the Government of India and accompaniment should be forwarded to the Principal Officer, Mercantile Marine Department, Bombay District, the Commissioner in Sind, the Commissioner of Police, Bombay; the Resident and Commander-in-Chief, Aden; the Chairmen, Bombay, Karachi and Aden Port Trusts; the Chambers of Commerce, Bombay and Karachi; the Indian Merchants' Chamber, Bombay, the Buyers' and Shippers' Chamber, Karachi, and the Karachi Indian Merchants' Association, and they should be requested to communicate to Government, not later than the 10th October 1930, their views on the draft rules relating to life saving appliances on pilgrim ships. The Chairmen, Karachi and Aden Port Trusts, should submit their reports through the Commissioner in Sind and the Resident and Commander-in-Chief, Aden, respectively.

2. The Principal Officer, Mercantile Marine Department, Bombay District; the Commissioner in Sind and the Resident and Commander-in-Chief, Aden, should be requested to forward with their remarks the opinions of the Shipping Companies concerned within their respective jurisdictions.

3. The Commissioner in Sind and the Commissioner of Police, Bombay, should also be requested to submit with their remarks the views of any other bodies or individual interested in the matter.

(By order of the Governor in Council.)

C. W. A. TURNER,

Secretary to the Government of Bombay,

Political Department.

ACCOMPANIMENT TO GOVERNMENT RESOLUTION, POLITICAL, DEPARTMENT NO. 6202-11 DATED THE 15TH AUGUST 1930.

DEPARTMENT OF EDUCATION, HEALTH AND LANDS.

Notification No. 1462 H. (G). dated Simla, the 23rd July 1930.

The following draft of certain rules which it is proposed to make in exercise of the powers conferred by sub-section (1) of Section 213 of the Indian Merchant Shipping Act, 1923 (XXI of 1923), is published, as required by sub-section (3) of the said section, for the information of all persons likely to be affected thereby, and notice is hereby given that the said draft will be taken into consideration on or after the 31st October 1930.

Any objection or suggestion which may be received in respect of the draft before the said date will be considered by the Governor General in Council.

Draft Rules.

1. (*1*) These rules may be called the Life Saving Appliances (Pilgrim Ships) Rules, 1931.

(*2*) They apply to pilgrim ships, and shall come into force on the 1st day of February 1931 from which date rules 6 to 9 and and 16 and 17 of the rules published with the notification of the Government of India in the Home Department, No. 1902 (Sanitary), dated the 14th October 1910, shall be cancelled.

Provided that these rules shall not apply, and rules 6 to 9 and 16 and 17 of the rules published with the said notification shall continue to apply, to pilgrim ships with regard to which a certificate of survey was granted before the 1st day of February 1931, under Section 136 or Section 144 of the Indian Merchant Shipping Act, 1923, while such certificate is in force.

2. *Definitions.*—In these rules, unless there is anything repugnant in the subject or context—

(*1*) 'Approved' means approved by the Governor General in Council.

(*2*) ' Daylight ' means the period from one hour before sunrise until one hour after sunset.

(*3*) ' Length ' in connection with a ship means the registered length of the ship.

(*4*) ' Special Boat-deck ' means any deck on which boats are carried and of which the space required for the stowage of boats under Rule 19 occupies half or more of the length of such deck.

(*5*) ' Surveyor ' means a Surveyor appointed under Section 129 of the Indian Merchant Shipping Act, 1923.

3. *Davits.*—(*1*) Every pilgrim ship shall, subject to the provisions of sub-rule (1) of Rule 27, be provided, in accordance with her length, with the number of sets of davits specified in Column A of the Table in the Appendix :

Provided that no pilgrim ship shall be required to have a number of sets of davits greater than the number of lifeboats required to accommodate the total number of persons which is carried or which the ship is certified to carry on the voyage on which she is proceeding, whichever number is the greater :

Provided further that the Governor General in Council may, where it appears to him necessary, having regard to the height at which the boats are carried above the loadline and to the other circumstances of the case, require a pilgrim ship to carry in lieu of, or in addition to, davits, some other approved form of launching appliances, or such arrangements for launching boats as may be, in his opinion, effective.

(*2*) *Lifeboats.*—(*a*) Every pilgrim ship shall carry lifeboats of the minimum aggregate capacity specified in Column C of the Table in the Appendix and at least one of the lifeboats shall be a motor boat.

(*b*) Each set of davits shall have a lifeboat of Class 1 attached to it, and of these lifeboats at least the minimum number specified in Column B of the Table in the Appendix shall be open boats.

(*c*) Any additional lifeboats which may be required to make up the total lifeboat accommodation required by clause (*a*) may be boats of Class 1 or Class 2 :

Provided that no ship shall be required to carry lifeboats of an aggregate capacity greater than is required to accommodate the total number of persons which is carried or which the ship is certified to carry on the voyage on which she is proceeding, whichever number is the greater.

4. *Buoyant apparatus.*—If the lifeboats carried do not provide sufficient accommodation for the total number of persons which is carried or which the ship is certified to carry on the voyage on which she is proceeding, whichever number is the greater, approved buoyant apparatus shall be carried sufficient for those persons for whom accommodation is not provided in lifeboats.

5. *Exemptions in case of specified voyages.*—The master or owner of a pilgrim ship claiming to carry on any voyage fewer lifeboats and approved buoyant apparatus than will provide sufficient accommodation for all the persons for which the ship is certified, must declare before the Principal Officer, Mercantile Marine Department, before the time of clearance, that the lifeboats or the lifeboats and approved buoyant apparatus, as the case may be, actually carried, will be sufficient to accommodate all persons who will be carried at any time during the voyage.

6. *Lifebuoys.*—If the ship is under 400 feet in length, at least twelve approved lifebuoys shall be carried; if 400 feet or over, but under 600 feet, at least eighteen approved lifebuoys shall be carried; if 600 feet or over, but under 800 feet, at least twenty-four approved lifebuoys shall be carried; and if 800 feet or over, at least thirty approved lifebuoys shall be carried.

7. *Life-jackets.*—One approved life-jacket shall be carried for each person on board.

8. *Power to accept alternatives.*—The Governor General in Council may, in general or in any particular case, accept any life saving appliance or arrangement in lieu of a life saving appliance or arrangement required by these rules subject to such conditions as he may impose.

9. *Classification of lifeboats.*—For the purposes of these rules lifeboats are arranged in the following classes :—

CLASS 1.

A.—Open lifeboats with internal buoyancy only.

The buoyancy of a wooden boat of this type shall be provided by watertight air-cases, the total volume of which shall be at least equal to one-tenth of the cubic capacity of the boat.

In the case of a metal boat an addition shall be made to the cubic capacity of the airtight compartments, so as to give it buoyancy equal to that of the wooden boat.

B.—*Open lifeboats with internal and external buoyancy.*

The internal buoyancy of a wooden boat of this type shall be provided by watertight air cases, the total volume of which shall be at least equal to seven and a half per cent. of the cubic capacity of the boat.

If the external buoyancy is of cork, its volume, for a wooden boat, shall not be less than thirty-three thousandths of the cubic capacity of the boat ; if of any material other than cork, its volume and distribution shall be such that the buoyancy and stability of the boat are not less than that of a similar boat provided with external buoyancy of cork.

In the case of a metal boat an addition shall be made to the cubic capacity of the airtight compartments, so as to give buoyancy equal to that of the wooden boat.

C.—*Pontoon lifeboats having a well deck and fixed watertight bulwarks.*

The area of the well deck of a boat of this type shall be at least thirty per cent. of the total deck area. The height of the well deck above the water-line at all points shall be at least equal to one-half per cent. of the length of the boat, this height rising to one and a half per cent. of the length of the boat at the ends of the well.

The freeboard of a boat of this type shall be such as to provide for a reserve buoyancy of at least thirty-five per cent.

CLASS 2.

A.—*Open lifeboats having the upper part of the side collapsible.*

A boat of this type shall be fitted both with watertight air-cases and with external buoyancy, the volume of which, for each person which the boat is able to accommodate shall be at least equal to the following amounts :—

	Cubic feet.
Air-cases	1·5
External buoyancy (if of cork) ..	0·2

The minimum freeboard of boats of this type is fixed in relation to their length ; it shall be measured vertically to the top of the solid hull at the side amidships from the water-level when the boat is loaded.

The freeboard in fresh water shall not be less than the following amounts :—

Length of the Boat in feet.	Minimum Freeboard in inches.
26	8
28	9
30	10

The freeboard of boats of intermediate lengths shall be found by interpolation.

B.—*Pontoon lifeboats having a well deck and collapsible bulwarks.*

All the conditions laid down for boats of Class 1 C shall be applied to boats of this type, which differ from those of Class 1 C only in regard to the bulwarks.

C.—*Pontoon lifeboats having a flush deck and collapsible bulwark*

The minimum freeboard of boats of this type is independent of their length and depends only upon their depth. The depth of the boat shall be measured vertically from the underside of the garboard strake to the top of the deck at the side amidships and the freeboard shall be measured from the top of the deck at the side amidships to the water-level when the boat is loaded.

The freeboard in fresh water shall not be less than the following amounts, which are applicable without correction to boats having a mean sheer equal to three per cent. of their length :—

Depth of Boat in inches.	Minimum Freeboard in inches.
12	$2\frac{3}{4}$
18	$3\frac{3}{4}$
24	$5\frac{1}{8}$
30	$6\frac{1}{2}$

For intermediate depths the freeboard shall be obtained by interpolation.

If the sheer is less than the standard sheer defined above, the minimum freeboard shall be obtained by adding to the figures in the table one-seventh of the difference between the standard sheer and the actual mean sheer measured at the stem and stern post; no deduction shall be made from the freeboard on account of the sheer being greater than the standard sheer or on account of the camber of the deck.

10. *Motor boats.*—(1) A motor boat carried as part of the statutory life saving appliances of pilgrim ship, shall comply with the following conditions :

(*a*) It shall comply with the requirements for a lifeboat of Class 1, and proper appliances shall be provided for putting it into the water speedily.

(*b*) It shall be adequately provided with fuel and kept so as to be at all times ready for use.

(2) In fixing the volume of the internal buoyancy, and, where fitted, the external buoyancy, regard shall be had to the difference between the weight of the motor and its accessories and the weight of the additional persons which the boat could accommodate if the motor and its accessories were removed.

11. *Construction of lifeboats.*—(*1*) All boats shall be properly constructed, and shall be of such form and proportions that they shall have ample stability in a seaway, and sufficient freeboard when loaded with their full complement of persons and equipment. They shall be fitted and arranged to the satisfaction of the Governor General in Council.

(2) The structural strength of the boats shall be to the satisfaction of the Governor General in Council. In the case of pilgrim ships launched on or after the 1st February 1931, the strength shall be sufficient to permit of the boats being safely lowered into the water with the full complement of persons and equipment on board.

(3) *Seating accommodation.*—In all open boats, all thwart and side seats shall be fitted as low in the boat as practical, and shall provide seating accommodation for all persons the boat is deemed fit to carry and bottom boards shall be fitted so that the thwarts shall not be more than 2 feet 9 inches above them.

(4) *Buoyancy.*—Internal buoyancy apparatus shall be constructed of copper or yellow metal of not less than 18 ounces to the superficial foot, or of other durable material, and in open boats of Class 1 may be placed along the sides or at the ends of the boat, but not in the bottom of the boat. External buoyancy apparatus may be of cork or of any other equally efficient approved material: the use of rushes, cork shavings, loose granulated cork, or any other loose granulated substance, and the use of apparatus dependent upon inflation by air is prohibited.

(5) *Sheer.*—Open lifeboats of Class 1 shall have a mean sheer at least equal to four per cent. of their length.

(6) *Pontoon lifeboats.*—Pontoon lifeboats may be built of wood or metal. If constructed of wood, they shall have the bottom and deck made of two thicknesses with textile material between; if of metal, they shall be divided into watertight compartments with means of access to each compartment and shall be provided with at least two bilge pumps.

(7) All pontoon lifeboats shall be fitted with efficient means for quickly clearing the deck of water. The orifices for this purpose shall be such that the water cannot enter the boat through them when they are intermittently submerged. The number and size of the orifices shall be determined by the Governor General in Council for each type of boat by a special test.

For the purpose of this test :—

(a) The pontoon boat shall be loaded with a weight of iron equal to that of its complement of persons and equipment;

(*b*) In the case of a boat 28 feet in length, two tons of water shall be cleared from the boat in a time not exceeding the following :—

Class 1C	60 seconds.
Class 2B	60 seconds.
Class 2C	20 seconds.

In the case of a boat having a length greater or less than 28 feet the weight of water to be cleared in the same time shall be for each type directly proportional to the length of the boat.

(*8*) No boat shall be accepted as a lifeboat the buoyancy of which depends upon the previous adjustment of one of the principal parts of the hull.

All boats shall be fitted for the use of a steering oar.

(10) *Marking of lifeboats.*—All boats shall be permanently marked to the satisfaction of the Governor General in Council in such a way as to indicate plainly their dimensions and the number of persons for which they are approved. Boats that have been properly marked need not be re-measured, unless there is reason to believe that the marks have been tampered with or are otherwise defective or improper.

12. *Number of persons.*—(*1*) The number of persons which a lifeboat shall be deemed fit to carry shall be equal to the greatest whole number obtained by dividing the capacity of the boat in cubic feet, or the surface of the boat in square feet, as the case may be (calculated as provided by rules 13 and 14), by the standard unit of capacity, or unit of surface, defined below.

(*2*) The cubic capacity in feet of a boat in which the number of persons is determined by the surface shall be assumed to be ten times the number of persons which the boat is authorised to carry.

(*3*) The standard units of capacity and surface are as follows :—

Units of Capacity.	Cubic Feet.
Class 1A	10
Class 1B	9
Class 3	10

Units of Surface.	Square Feet.
Class 2A	$3\frac{1}{2}$
Class 2C	
Class 1C	$3\frac{1}{4}$
Class 2B	

(*4*) The Governor General in Council may accept a smaller divisor for pontoon boats of Class 1C and Class 2B, if he is satisfied after trial that the number of persons for whom there is seating accommodation in the boat in question is greater than the number obtained by applying the above divisor provided always that the divisor adopted in place of $3\frac{1}{4}$ shall never be less than 3.

(*5*) The number of persons obtained by the above rules shall be reduced:—

(*i*) If it is greater than the number of persons for which there is proper seating accommodation, the latter number being determined in such a way that the persons when seated do not interfere in any way with the use of the oars or

(*ii*) If, in the case of boats other than open boats of Class 1, the freeboard when the boat is fully loaded is less than the freeboard required by these rules.

(*6*) *Test afloat.*—If the Surveyor is doubtful as to the number of persons any boat is fit to carry he may require the boat to be tested afloat with the intended number of persons on board.

(*7*) The Surveyor may limit the number of persons to be allowed in boats with very fine ends and in boats very full in form.

(*8*) *Children.*—Two children under the age of twelve years may be carried in place of one adult person.

13. *Cubic capacity of Open Boats of Class* 1.—(*1*) In the case of an open boat of Class 1 the cubit capacity shall be determined by the following formula:—

$$\text{Capacity} = \frac{l}{12}(4A + 2B + 4C).$$

l denotes the *length* of the boat in feet from inside of the planking or plating at the stem to the corresponding point at the

stern post; in the case of a boat with a square stern the length is measured to the inside of the transom.

A, B, C denote respectively the *areas of the cross-sections* at the quarter length forward, amidships, and the quarter length aft, which correspond to the three points obtained by dividing *l* into four equal parts (the areas corresponding to the two ends of the boat are considered negligible).

The areas *A, B, C* shall be deemed to be given in square feet by the successive application of the following formula to each of the three cross-sections :—

$$\text{Area} = \frac{h}{12}(a + 4b + 2c + 4d + e).$$

h denotes the *depth* measured in feet inside the planking or plating from the keel to the level of the gunwale, or, in certain cases, to a lower level, as determined hereafter.

a, b, c, d, e denote the *horizontal breadths* of the boat measured in feet to the inside of the planking at the upper and lower points of the depth and at the three points obtained by dividing *h* into four equal parts (*a* and *e* being the breadths at the extreme points, and *c* at the middle point, of *h*).

(*2*) If the sheer of the gunwale, measured at the two points situated at a quarter of the length of the boat from the ends, exceeds 1 per cent. of the length of the boat, the depth employed in calculating the area of the cross-sections *A* or *C* shall be deemed to be the depth amidships plus 1 per cent. of the length of the boat.

(*3*) If the depth of the boat amidships exceeds 45 per cent. of the breadth, the depth employed in calculating the area of the midship cross-section *B* shall be deemed to be equal to 45 per cent. of the breadth, and the depth employed in calculating the areas of the quarter length sections *A* and *C* shall be obtained by increasing this last figure by an amount equal to 1 per cent. of the length of the boat, provided that in no case shall the depths employed in the calculation exceed the actual depths at these points.

(4) If the depth of the boat is greater than 4 feet, the number of persons given by the application of these rules shall be reduced in proportion to the ratio of 4 feet to the actual depth, until the boat has been tested afloat with that number of persons on board all wearing life-jackets, and the test has proved satisfactory.

(5) The cubic capacity of a boat may be assumed to be the product of the length, the breadth and the depth multiplied by 0·6 in cases where it is clear that this formula does not give a greater capacity than that obtained by the above method. The dimensions shall then be measured in the following manner:—

Length: From the intersection of the outside of the planking with the stem to the corresponding point at the stern post or, in the case of a square sterned boat, to the after side of the transom.

Breadth: From the outside of the planking at the point where the breadth of the boat is greatest.

Depth: Amidships inside the planking from the keel to the level of the gunwale, but the depth used in calculating the cubic capacity may not in any case exceed 45 per cent. of the breadth.

In all cases the shipowner shall have the right to require that the cubic capacity of the boat shall be determined by exact measurement.

(6) If the oars are pulled in rowlocks, the bottom of the rowlocks shall be considered as the gunwale in measuring the depth of the boat.

(7) *Cubic capacity of motor boats.*—The cubic capacity of a motor boat shall be obtained from the gross capacity by deducting a volume equal to that occupied by the motor and its accessories.

14. *Deck area and capacity of pontoon boats and of open boats of Class* 2.—In the case of pontoon boats and of open boats of Class 2 the surface in square feet shall be determined by the following formula:—

$$\text{Area} = \frac{l}{12}\ (2a + 1{\cdot}5b + 4c + 1{\cdot}5d + 2e).$$

l denotes the *length* in feet from the intersection of the outside of the planking with the stem to the corresponding point at the stern post.

a, b, c, d, e denote the *horizontal breadths* in feet outside the planking at the points obtained by dividing *l* into four equal parts and sub-dividing the foremost and aftermost parts into two equal parts (*a*) and *e* being the breadths at the extreme sub-divisions, *c* at the middle point of the length and *b* and *d* at the intermediate points.

15. *Size of boats.*—No boat carried in compliance with these rules shall have a capacity of less than 125 cubic feet.

16. *Weight of persons.*—In the tests prescribed by these rules for determining the number of persons which a boat can accommodate each person shall be assumed to be an adult person wearing a life-jacket.

In verifications of freeboard the pontoon boats shall be loaded with a weight of at least 165 lbs. for each adult person that the pontoon boat is authorised to carry.

17. *Appliances for lowering boats.*—(1) The davits shall be of approved form and shall be suitably placed to the satisfaction of the Governor-General in Council. They shall be fitted on one or more of the decks in such positions that the boats can be efficiently lowered from them, and shall be so spaced and placed that the boats can be swung out with facility. Davits shall not be fitted in the bows of a ship, but they may be fitted in any other position in the ship, provided that the boats are not brought into dangerous proximity to a propeller at the time of launching.

(2) The davits, falls, blocks, and all other gear required for lowering the boats, shall be of sufficient strength to the satisfaction of the Governor-General in Council. In the case of pilgrim ships launched on or after the 1st February 1931 they shall be of such strength that the boats can be lowered safely with the full complement of persons and equipment, the ship being assumed to have a list of 15 degrees.

(3) In the case of pilgrim ships launched on or after the 1st February 1931, the davits shall be fitted with gear of sufficient

power to ensure that the boats can be turned out against the maximum list under which the lowering of the boats is possible, or the davits shall be of the quadrant or other such type as will ensure the above condition being fulfilled.

(*4*) The boat's falls shall be long enough to lower the boat into the water with safety when the vessel is light. Life-lines shall be fitted to the davit spans, and shall be long enough to reach the water when the vessel is light. Hooks shall not be attached to the lower tackle blocks.

(*5*) Means shall be provided for speedily, but not necessarily simultaneously or automatically, detaching the boats from the falls; the boats placed under davits shall be attached to the falls and kept ready for service; the points of attachment of the boats to the falls shall be sufficiently away from the ends of the boats to ensure their being easily swung clear of the davits; the boats' chocks shall be of such construction and arrangement as shall be satisfactory to the Governor-General in Council.

(*6*) Where more boats than one are served by the same set of davits, arrangements shall be made to prevent the falls fouling when they are recovered, and, where more than two boats are served by the same set of davits, there shall be provided an approved appliance for lowering the boats in turn and rapidly.

(*7*) The Governor-General in Council may accept in lieu of davits or sets of davits any other appliance, appliances or arrangements, which appear to him at least as effective as davits for placing the boats in the water.

18. *Buoyant apparatus.*—Approved buoyant apparatus, whether buoyant deck seats, buoyant deck chairs or other buoyant apparatus, shall be deemed sufficient, so far as buoyancy is concerned, for a person or number of persons to be ascertained by dividing the number of pounds of iron which it is capable of supporting in fresh water by 32, and if the apparatus depends for its buoyancy on air shall not require to be inflated before use.

Such approved buoyant apparatus shall comply with the following conditions:—

(*1*) It shall be of approved material and construction,

(2) It shall be reversible.

(3) It shall be of such size, strength and weight that it can be handled without mechanical appliances and, if necessary, can be thrown from the vessel's deck on which it is stowed.

(4) The air-cases or equivalent buoyancy shall be placed as near as possible to the sides of the apparatus.

(5) It shall be marked in such a way as plainly to indicate that it is buoyant and the number of persons for which it is approved.

19. *Stowage of boats, rafts, etc.*—(1) All boats attached to davits and all boats stowed under boats attached to davits shall be stowed in such a way that—

(a) They can be launched in the shortest possible time;

(b) They will not impede in any way the prompt handling of any other of the lifeboats attached to davits or stowed under boats attached to davits or the buoyant apparatus carried under rule 6, or the marshalling of the persons on board at the launching stations, or their embarkation;

(c) Even under conditions of list and trim unfavourable from the point of view of the handling of the boats as large a number of persons as possible can be embarked in them;

(d) Except as hereinafter provided, they shall be so stowed as not to require lifting before being launched.

(2) With regard to the stowage of other additional lifeboats and buoyant apparatus the following provisions shall apply:—

(a) They shall not impede in any way the prompt handling of the lifeboats attached to davits or the additional boats stowed under boats attached to davits or the buoyant apparatus or the marshalling of the persons on board at the launching stations or their embarkation;

(b) The lifeboats may be stowed one above the other, or they may, subject to such conditions as the Governor

General in Council may impose, be fitted one within another, but where boats so fitted require lifting before being launched, they shall only be permitted if attached to davits operated by mechanical power appliances;

(*c*) The lifeboats may be stowed in rows across a deck, bridge or poop;

(*d*) As large a number of the boats as possible shall be capable of being launched on either side of the ship, either by means of approved appliances for transferring them from one side of the deck to the other, or by stowing in rows across the deck or by some other equally satisfactory means;

(*e*) Means shall be provided to the satisfaction of the Governor-General in Council for lowering the lifeboats into the water in the shortest possible time.

(*3*) Where a boat is stowed underneath another boat there shall be provided approved removable supports or other approved appliances, so as to secure that the weight of a boat is not unduly supported by the boat underneath it.

(*4*) Boats may only be stowed on more than one deck on condition that proper measures are taken to prevent the boats from a lower deck being fouled by those from a deck above.

(*5*) All buoyant apparatus shall be so stowed as to be readily available in case of emergency.

20. *Equipment for boats and buoyant apparatus.*—(*1*) Every boat which is carried by any pilgrim ship shall be equipped as follows:—

(*a*) With the full single banked complement of oars and two spare oars, and a steering oar.

(*b*) With two plugs for each plug hole, attached with lanyards or chains, and one set and a half of those pins or crutches, attached to the boat by sound lanyards. Plugs shall not be required where proper automatic valves are fitted.

(*c*) With a sea anchor, a bailer, a galvanised iron bucket, a rudder and a tiller, or yoke and yoke lines, a painter of sufficient length, and a boat-hook. The rudder, the bailer, and the bucket shall be attached to the boat by sufficiently long lanyards, and kept ready for use.

(*d*) With a vessel or vessels capable of holding one quart for each person that the boat is deemed fit to carry. Each such vessel shall be kept filled with fresh water, and provided with a dipper with lanyard.

(*e*) With two hatches, one to be kept in each end of the boat, and to be attached to the boat by a lanyard.

(*f*) With a line securely becketted round the outside of the boat.

(*g*) With an efficient lantern trimmed, with oil in its receiver sufficient to burn eight hours; or with some other lantern or light at least as effective, approved by the Governor-General in Council.

(*2*) In addition to the equipment prescribed in sub-rule (1), the boats shall be equipped with :—

(*a*) a mast or masts, and at least one good sail and proper gear for each ; but this does not apply to an approved motor boat ;

(*b*) an efficient compass ;

(*c*) an airtight case containing two pounds of biscuits for each person for whom the boat is approved;

(*d*) one gallon of vegetable or animal oil, and a vessel of approved pattern for distributing it on the water in rough weather. This vessel shall be capable of being attached to the sea anchor ;

(*e*) one dozen self-igniting red lights in a watertight tin, and a box of suitable matches in a watertight tin ;

(*f*) 1 lb. of condensed milk for each person the boat is certified to carry.

(3) All buoyant apparatus carried by a pilgrim ship shall be equipped as follows :—

(*a*) With two paddles and one boathook or two paddles and boathooks combined attached to the buoyant apparatus by lanyards.

(*b*) A painter of sufficient length.

(*c*) A line securely becketted round the outside of the apparatus.

(*d*) A self-igniting light and two signal flares of approved pattern, the self-igniting light to be attached to the buoyant apparatus by lanyards of suitable length :

Provided that on buoyant apparatus, designed to support less than twenty-five persons the paddles, boathook, light and flares need not be carried.

(4) All boats and buoyant apparatus shall be fully equipped before the ship leaves harbour and the equipment shall remain in the boat or buoyant apparatus throughout the voyage, while the ship is at sea or shall be stowed in some convenient place where it will be immediately available in case of emergency.

21. *Side ladders.*—In all ships, approved rope ladders shall be carried in proportion to the number of davits fitted, namely, not less than one ladder for each two sets of davits, provided that no ship shall be required to carry more than 10 ladders. The ladders shall be of sufficient length to reach the water-line at the vessel's lightest sea-going draught and shall be carried in such a manner as to be always available for use in embarking the persons in the boats or rafts.

22. *Illumination.*—On all pilgrim ships in which the boat deck is more than 30 feet above the water, provision shall be made for the illumination from the ship of the lifeboats when alongside and in process of or immediately after being launched.

23. *Life-jackets.*—An approved life-jacket shall mean a jacket of approved material and construction, which is capable of floating in fresh water for 24 hours with 15 lbs. V iron suspened from it, or any other approved appliance of equal buoyancy and

capable of being fitted on the body. It shall be reversible and suitable both for adults and children. Life-jackets the buoyancy of which depends on air compartments are prohibited.

24. *Lifebuoys.*—(*1*) (*a*) An approved lifebuoy shall be of solid cork or other equivalent material. It shall be capable of floating in fresh water for at least 24 hours with 32 lbs. of iron suspended from it.

(*b*) Lifebuoys filled with rushes, cork shavings, granulated cork or any other loose granulated material, or whose buoyancy depends upon air compartments requiring inflation, are prohibited.

(*2*) All lifebuoys shall be fitted with beckets securely seized, and at least one on each side of the ship shall be fitted with a life-line at least 15 fathoms in length.

25. *Position of lifebuoys and life-jackets.*—All lifebuoys and life-jackets shall be suitably placed to the satisfaction of the Surveyor and so as to be readily accessible to all persons on board; and their position shall be plainly indicated so that it may be known to those for whom they are intended.

Lifebuoy shall always be capable of being rapidly cast loose and shall not be rigidly secured in any way.

Life-jackets may be stored either in battens over the passenger decks or in boxes under the charge of serangs as well as in the buoyant seats when these are used. The contents of the boxes shall be clearly painted on them and illustrated notices in the vernacular shall be posted up in different parts of the ship explaining to passengers where to find life-jackets and how to use them. In addition, their use shall be demonstrated by the crew both during boat drills and periodically at other times.

26. *Exemptions.*—(*1*) Any lifeboat which forms part of the equipment of a pilgrim ship that was launched before the 1st February 1931 and which has been inspected and approved by the Governor General in Council before that date, may be accepted as equivalent to a lifeboat so long as it remains in good condition

(*2*) Lifeboats which were ordered before the 1st February 1931 in order to complete the equipment of a ship, but which were

not delivered in time to be inspected by the Governor-General in Council before that date, may be accepted as equivalent to lifeboats so long as they remain in good condition :

Provided that such lifeboats shall not be so accepted, unless—

(*a*) they have been inspected, where this has not already been done ;

(*b*) they would have complied with the requirements of the rules in force prior to the 1st February 1931.

27. (*1*) If it appears to the Governor-General in Council, on the application of the owner of any pilgrim ship, that it is not practicable or reasonable to fit in that ship the number of sets of davits required by these rules, he may direct that one or more sets of davits may be dispensed with in that ship subject to such conditions, if any, as he may require :

Provided that the owner of the ship in question shall be required to prove, by a test made in the presence of a Surveyor, that all the boats can be launched in a time to be fixed by him. The conditions of this test shall be as follows :—

(*a*) the ship shall be upright and in smooth water ;

(*b*) the time shall be the time required from the beginning of the removal of the boat-covers, or any other operation necessary to prepare the boats for lowering, until the last boat or pontoon raft is afloat ;

(*c*) the number of men employed in the whole operation shall not exceed the total number of boat hands that will be carried on the vessel under normal service conditions ;

(*d*) each boat, when being lowered, shall have on board at least two men, and its full equipment as required by these rules.

(*2*) The Governor-General in Council may in his discretion impose as a condition of such exemption as aforesaid in respect of a ship launched before the 1st February 1931 that the boats carried shall be of a required capacity greater than the minimum capacity prescribed in rule 15.

(*3*) If it appears to the Governor-General in Council, on the application of the owner of any pilgrim ship that it is not practicable or reasonable in a particular case to require that pontoon lifeboats, made before the 1st February 1931 and carried on ships of which the keels were laid on or before that date, shall have the minimum freeboard specified in these rules or the bottom and deck made in two thicknesses with textile material between, the Governor-General in Council may in his discretion dispense with full compliance with the rules in these respects subject to such conditions, if any, as the Governor-General in Council may impose.

28. *Manning of lifeboats, etc.*—(*1*) Boat's crews shall be carried in all ships to which these rules apply on the following scale, namely :—

One officer or superior seaman rating and at least two other hands who shall be trained in the operations of launching and handling boats for each lifeboat required to be carried under the provisions of these rules and in addition one officer and six hands to clear away the buoyant apparatus carried.

(*2*) A man capable of working the motor shall be assigned to each motor boat.

(*3*) The officer or rating placed in charge of each boat shall have a list of its crew and shall see that the men placed under his orders are acquainted with their several duties and stations.

(*4*) The duty of seeing that the boats and other life saving appliances are at all times ready for use shall be assigned to one or more officers.

29. *Lifeboatmen.*—From a date to be notified by the Governor-General in Council each lifeboat shall be in charge of a minimum number of lifeboatmen holding certificates of efficiency issued under the authority of a competent authority. In order to obtain the certificates, the men must prove that they have been trained in all the operations connected with the launching of lifeboats and the use of oars ; that they are acquainted with the practical handling of the boats themselves ; and further that they are capable of understanding and answering the orders relative to lifeboat service.

30. *Muster List.*—(*1*) The muster list shall assign duties to the different members of the crew in connection with :—

(*a*) the launching of the boats attached to davits ;

(*b*) the preparation of the other boats ;

(*c*) the equipment of the boats generally ;

(*d*) the closing of the bulkhead doors, etc. ;

(*e*) the mustering of the passengers.

It shall also assign to the members of the Stewards' Department their several duties in relation to the passengers at a time of emergency. These duties shall include—

(*a*) warning the passengers ;

(*b*) seeing that they are dressed and have put on their life-jackets in a proper manner ;

(*c*) assembling the passengers ;

(*d*) keeping order in the passages and on the stairways and generally controlling the movements of the passengers.

(*2*) The muster list shall also specify definite alarm signals for calling all the crew to their boat and fire stations and shall give full particulars of the signals.

(*3*) Before the ship sails, the Master shall draw up and exhibit the muster list and the proper authority shall be satisfied that the muster list has been prepared for the ship and is posted in several parts of the ship and in particular in the crew's quarters.

31. *Drill.*—(*1*) In all ships to which these rules apply, a boat drill and a watertight door drill shall be held as soon as possible after leaving the original port of departure and thereafter once a week during the voyage when practicable, at which a number of the male passengers (*e.g.*, the single men) when this is practicable shall be mustered apart from the others in a convenient place whence they can be readily requisitioned to assist in swinging out boats or rounding up falls, etc., if required. Such drills shall be recorded in the official log.

(*2*) The Surveyor shall be satisfied, in each case before the ship leaves port, that a return has been devised and communicated to each officer of the ship for securing an efficient working of the boats. In all cases a police system shall be organised to the satisfaction of the Surveyor so as to secure obedience to orders and proper control and guidance of all on board in times of emergency.

(*3*) In carrying out the boat and watertight door drills the crew will, when practicable, drill in their life-jackets and arrangements shall be made, when possible, for passengers to see the crew putting their life-jackets on. Entries in the official log shall state whether and when this has been done.

32. *Emergency boat.*—In all pilgrim ships which are required under these rules to carry two or more boats, an emergency boat shall be carried slung out and ready for action every night except in the case of such classes of restricted home-trade voyage as may be specially exempted from the requirements of this rule by the Governor-General in Council.

33. *Boat-decks.*—Special boat-decks shall be kept entirely clear of passengers, and in the case of shade-decks, bridge-decks and poop-decks, which are utilized for carrying passengers as well as boats, a space sufficient for the working of the boats shall be railed off; and where boats stowed on a shade, bridge or poop deck occupy half or more of the total breadth of the deck, the whole of the space abreast the boats shall be railed off and treated as a special boat-deck.

34. *Time allowed for launching.*—The equipment of boats and buoyant apparatus of any pilgrim ship shall not be passed by the Surveyor as satisfying these rules unless the whole of it can be efficiently placed in the water in one hour.

PENALTY.

35. Whoever does any act in contravention of any of the provisions of these rules shall be punishable with fine which may extend to two hundred rupees.

APPENDIX.

Table showing the minimum number of sets of davits, the minimum number of open boats, and the minimum aggregate capacity of lifeboats required to be provided in pilgrim ships.

Registered length of the ship In feet.	(A) Minimum number of sets of davits.	(B) Minimum number of open boats, Class I.	(C) Minimum aggregate capacity of lifeboats in cubic feet
*100 and under 120	2	2	400
120 do. 140	2	2	600
140 do. 160	2	2	850
160 do. 175	3	3	1,150
175 do. 190	3	3	1,300
190 do. 205	4	4	1,450
205 do. 220	4	4	1,600
220 do. ..230	5	4	1,850
230 do. 245	5	4	
245 do. 255	6	5	2,350
255 do. 270	6	5	
270 do. 285	7	5	3,000
285 do. 300	7	5	
300 do. 315	8	6	3,750
315 do. 330	8	6	
330 do. 350	9	7	4,400
350 do. 370	9	7	
370 do. 390	10	7	5,100
390 do. 410	10	7	
410 do. 435	12	9	6,000
435 do. 460	12	9	
460 do. 490	14	10	7,000
490 do. 520	14	10	
520 do. 550	16	12	..
550 do. 580	16	12	..

* When the length of the ship is under 100 feet, the Surveyor shall prescribe the minimum aggregate capacity of the lifeboats to be carried.

Table showing the minimum number of sets of davits, the minimum number of open boats, and the minimum aggregate capacity of lifeboats required to be provided in pilgrim ships.—contd.

Registered length of the ship in feet.	(A) Minimum number of sets of davits.	(B) Minimum number of open boats, Class I.	(C) Minimum aggregate capacity of lifeboats in cubic feet.
580 and under 610	18	13	..
610 do. ..640	18	13	..
640 do. 670	20	14	..
670 do. 700	20	14	..
700 do. 730	22	15	..
730 do. 760	22	15	..
760 do. 790	24	17	..
790 do. 820 ..	24	17	..
820 do. 855	26	18	..
855 do. 890	26	18	..
890 do. 925	28	19	..
925 do. 960	28	19	..
960 do. 995	30	20	..
995‡ do. 1,030 ..	30	20	..

† When the length of the ship is over 520 feet, the Surveyor shall prescribe the minimum aggregate capacity of the lifeboats to be carried.

‡ When the length of the ship exceeds 1,030 feet, the Surveyor shall prescribe the additional number of sets of davits and open boats to be carried.

(Signed) F. NOYCE,
Secretary to the Government of India,"

No. 3309, dated 9th October 1930, from Chamber to Government of Bombay.

My Committee have now considered the draft rules in regard to Life Saving Appliances on Pilgrim Ships sent with your letter No. 6202-11-E, dated the 22nd August 1930, and have the following observations to make.

They would like to be informed whether these rules have been framed in consultation with other Governments directly interested

in the carriage of pilgrims, as required by Clause B, sub-section 4, Article 12, of the International Convention on the Safety of Life at Sea. In Rule 4 the usual requirement in respect of life boats, *viz.* that there should be accommodation in boats for all persons on board is departed from and instead, provision in addition of buoyant apparatus for 25 per cent. of the passengers on board is substituted. My Committee are aware that under the Convention it is open to each Government to exempt ships engaged in pilgrim trade from compliance with the full requirements of life saving appliances applicable to passenger ships, but, they would like to know, whether, in view of the fact that these ships are performing what are known as long international voyages, the exemption has been made in consultation with other Governments interested in the trade.

As regards Rules 28 and 29, it is well-known that lifeboatmen holding such certificates of efficiency are not to be found in the country and therefore my Committee suggest that Government should establish the necessary schools at principal ports in India for enabling the Indian seamen to undergo the requisite training. Government should also circularise the shipping companies giving them the details of the curriculum for the course of training.

Regarding Rule 30, my Committee suggest that in order that the full requirements of this rule may be complied with by ships plying in the Pilgrim trade, such elementary instructions will have to be given by the ships to the Goanese Stewards in charge of catering departments, as will enable them to discharge their duties under the rule.

Subject to the above observations, my Committee are in general agreement with the rules.

APPENDIX XIX.

QUESTIONNAIRE re : REGULATION OF HOURS OF WORK ON BOARD SHIPS.

No. 465-M, 1(9)-30, dated 25th Feb. 1930. from the Government of India, Commerce Department, to Chamber.

The (Thirteenth) Maritime Session of the International Labour Conference held at Geneva in October 1929 had on its Agenda the question of the regulation of hours of work on board ship, and in

accordance with the modifications made by the Twelfth Session of the Conference in the " double discussion " procedure the International Labour Office has prepared a Questionnaire based upon the conclusion arrived at on the above question by the Thirteenth Session. A copy of the Questionnaire is forwarded herewith, and I am to say that the Government of India would be glad to have the views of your Chamber thereon.

2. The reply to this letter should be sent through the Principal Officer, Mercantile Marine Department, Bombay District, Bombay, and should reach the latter not later than the 15th April 1930.

QUESTIONNAIRE.

1. Do you consider that hours of work on board ship should be regulated internationally by means of a Draft Convention ?

2. Do you consider that, subject to such methods of application and such exceptions as the special conditions of the shipping industry require, this regulation should be based on the principle of the eight-hour day or the forty-eight-hour week contained in the Treaty of Peace ?

3. Do you consider that for the purposes of the regulation in question the following expressions should be defined :—

(*a*) normal hours of work ;

(*b*) hours of actual work ;

(*c*) hours on duty ;

(*d*) overtime ;

(*e*) compensation for overtime ;

If so, what definition do you propose ?

SCOPE.

As regards vessels.

4. Do you consider that all or any of the following classes of vessels should be excluded from the scope of the Draft Convention :

(*a*) sailing ships,

(*b*) government vessels not enagaged in trade,

(*c*) vessels engaged in urgent work of public utility (please specify the vessels you propose to exclude under this heading),

(*d*) vessels below a certain tonnage ? (What tonnage limit do you propose ?)

Are there any other classes of vessels you consider should be excluded ?

As regards trades.

5. (1) Do you consider it desirable to establish, for the purposes of the Draft Convention, an internationally applicable classification of the various kinds of trade ?

(2) If so, should the following be distinguished :

(*a*) " national " trades and " international " trades ;

(*b*) " distant ", " medium " and " near " trades within each of the two preceding groups ?

On what criteria should these distinctions be based ?

(3) If you consider the international classification indicated above impossible, what method of international classification do you consider the most practical ?

6. Do you consider that certain kinds of trades should be excluded from the scope of the Draft Convention, and on what conditions, if any ?

As regards persons employed on board.

7. Do you consider that certain categories of persons should be excluded from the scope of the Draft Convention, *e.g.* :

(*a*) masters ;

(*b*) non-watch-keeping officers in charge of a department;

(*c*) pilots;

(*d*) crews remunerated exclusively by a share in the profits or consisting entirely of members of the owner's or skipper's family ;

(*e*) persons belonging to a special occupation not directly related to maritime work and who are not employed by the master or shipowner (please specify the persons you would exclude under this heading) ?

Methods of regulating hours of work for the different categories of the crew.

8. Do you consider that for the purpose of regulating hours of work the Draft Convention should distinguish between :

(*a*) engine-room staff, deck staff, catering department ;

(*b*) time in port, sailing days, time on passage, arrival days ?

Engine-room staff.

9. Do you consider that the Draft Convention should limit to eight hours per day the normal hours of work of the engine-room staff both in port and at sea and in all kinds of trades included in the scope of the draft ?

(2) If not, what general maximum or different maxima do you propose ?

(3) Should rules be laid down for ensuring a weekly rest, or for compensating it if it is not granted ? What rules do you propose ?

(4) Should provision be made for compensating and limiting overtime ? What rules do you propose ?

Deck Staff.

10. (1) Do you consider that the Draft Convention should fix the normal hours of work of the deck staff as follows :

(*a*) In port, eight hours per day (if not, what maximum do you propose ?) ;

(b) On passage and on arrival and sailing days, different maxima according to the different kinds of trades (distant, medium, near) or to the tonnage category of the vessel ? (What maxima do you propose ?)

(2) Should rules be laid down for ensuring a weekly rest, or for compensating it if it is not granted ? What rules do you propose ?

(3) Should provision be made for compensating and limiting overtime ? What rules do you propose ?

Catering Department.

11. Do you consider that the Draft Convention should lay down different rules for catering staff in attendance on passengers and staff in attendance on the crew ?

12. (1) Do you consider that the Draft Convention should fix a maximum or maxima for the normal hours of work of catering staff in attendance on passengers ?

If so, what maximum do you propose, (*a*) in port, (*b*) on passage (*c*) on sailing days, (*d*) on arrival days ?

If not, should a minimum rest period be fixed, and, if so, what minimum ?

(2) Should provision be made for granting a weekly rest, or for compensating it if it is not granted ? What rules do you propose ?

(3) Should provision be made for compensating and limiting overtime ? What rules do you propose ?

13. (1) Do you consider that the Draft Convention should fix a maximum or maxima for the normal hours of work of catering staff in attendance on the crew ?

If so, what maximum do you propose, (*a*) in port, (*b*) on passage, (*c*) on sailing days, (*d*) on arrival days ?

(2) Should provision be made for granting a weekly rest, or for compensating it if it is not granted ? What rules do you propose ?

(3) Should provision be made for communicating and limiting overtime ? What rules do you propose ?

Work in the interests of safety.

14. Do you consider that the Draft Convention should provide that overtime for the purpose of work required in the interests of safety is not to be subject either to compensation or to limitation ? (Please indicate as precisely as possible the classes of work you would include under this heading.)

Modifications to meet special conditions.

Article 405 of the Treaty of Peace.

15. Has your Government any special observations or suggestions to make on the basis of Article 405, paragraph 3, of the

Treaty, which provides for the possibility of special rules to meet climatic conditions or particular conditions in certain countries ?

No. 3306, dated 9th October 1930, from Chamber to Government of India.

With reference to your letter No. 465-M.I(9)-30, dated the 25th February 1930, and the questionnaire regarding the regulation of hours of work on board ship, the Committee of this Chamber have considered the same and I am directed to send to you hereby their replies thereto :

Question. (1). The question of hours of work at sea was mooted at the Maritime Session of the International Labour Conference which met at Genoa in 1920, and the proposal to change the existing system was lost. Hence the present proposal to regulate the hours of work on board ship is an attempt to extend the 8-hour day principle to the mercantile marine. The Committee are not against removing hardships that the present system of work at sea may be entailing on seamen by a system of agreements, but they are against fixing the 8-hour day principle to an industry, which is passing through depression. In 1922 the Legislative Assembly turned down the recommendation in that direction made by the General Conference of the International Labour Organisation convened at Genoa in 1920. The Committee being of opinion that hours of work be regulated wherever necessary and possible by mutual national agreements, their replies to further queries must be taken from that point of view.

Q. (2) The Committee are of opinion that unless a case of hardship which the present system of work entails on seamen at sea is made out, the present position of the industry should not be disturbed. If, however, a case for restricting the hours of work at sea is established, action should be taken by the National Governments bearing in mind the economic effect of such restriction and in consultation with the Association of Shipowerns and seamen.

Q. (3) It will not be right to make any distinction between (*a*), (*b*) and (*c*). It ignores the principle that a man is really in service howsoever you might classify the hours during which he is on service or off. However, there can be no objection to defining

'Overtime' and to fixing compensation for it, though the Committee should not be understood to be in favour of overtime as the same involves the question of seamen's health, periods of rest and recreation.

Q. (4) As the intention is to save seamen from excessive work endangering his health and depriving him of his legitimate social amenities, the Committee fail to understand why any exception should be made in the case of (*b*) and (*c*) unless they are actually engaged on national work. The Committee, however, purely on economic grounds, have no objection in making exception in the case of Sailing ships and fishing vessels.

Q. (5 & 6) If trades are to be classified as national and international it will lead to confusion. If, however, any legislation is to be enacted, the trades can be classified as "distant," "medium" and "near."

Q. (7) As the object of the regulation of hours of work is to provide each worker at sea with conditions of labour which would leave him sufficient time for recreation and rest, the Committee fail to see why any class of workers should be excluded from the scope of the Convention if at all it is to be made. They would, however, like to point out that conditions of work on different types of vessels and in different trades are so varied that it is hardly possible to lay down uniform rules of service. The Committee have no objection to exclude the categories mentioned under (*a*), (*b*), (*c*), (*d*) and (*e*).

Q. (8 to 13) The Committee are against the principle of making distinction between different sections of workers on board ship. Preferential treatment, when recognised by law, is bound to affect the *espirit-de-corps*. As a rule, the staff in the engine room has to put forth more strenuous labour than the staff on deck or in the catering department. The Committee are, therefore, of opinion that hours of work for the engine room staff, deck staff and the workers in the catering department should be determined after taking into consideration the nature and strenuousness of the work of each category, the conditions of their service and the requirements of the shipping and the passengers.

It will not be possible to lay down conditions for ensuring a weekly rest so far as the sea service is concerned, as conditions at sea are different from conditions on shore. The principle of compensation or overtime cannot be substituted for the principle of weekly rest as that will be tantamount to treat labour as a commodity against which the Peace Treaty has made a definite annouucement. The Committee are, therefore, of opinion that the matter should be viewed not from the view point of an ideal but should be considered from the practical exigencies of the service and such time should be given off duty or such compensation be given for extra labour as may be justified or may be considered desirable in each case on its own merits. Further the nature and conditions of work when the vessel is in port or when it is at sea or on the arrival and sailing days can only be determined on considering the service required by the type of the vessel and the nature of trade in which the vessel is engaged. It is, therefore, difficult to lay down any general rule.

Q. (14) Conditions of emergency stand by a class in itself. Hence there can be no question of limitation of hours of work or of compensation, when seamen have to work for the safety of a life.

Q. (15) Paragraph 3 of Article 405 of the Treaty of Peace provides that in framing any recommendations or Convention for general application, the Conference (International Labour Conference) shall have to give due regard to those countries in which special circumstances make industrial conditions different and shall suggest the modifications, if any, which it considers necessary and in this connection Associations vitally concerned be profittably consulted.

APPENDIX XX.

SCALE OF PROVISIONS SUPPLIED TO INDIAN SEAMEN ON BOARD SHIPS.

No. 31-M, 11-30, dated 13th October 1930, from the Government of India, Commerce Department, to Chamber.

I am directed to say that as a result of the consideration given to a representation received from the Indian Seamen's Union, Bombay, the Government of India consider it desirable to introduce the changes shown in the annexed schedule in the existing

scales of provisions prescribed for lascars and other native seamen engaged on foreign-going ships. Before, however, issuing any orders they would be glad to be furnished at an early date with any remarks which your Chamber may have to offer in the matter.

SCHEDULE.

Article the scale of which it is proposed to alter.	Existing Scale.				Proposed Scale.			
	Ordinary.		Cold weather.		Ordinary.		Cold weather.	
	Oz.	dr.	Oz.	dr.	Oz.	dr.	Oz.	dr.
			General Scale.					
Condensed Milk ..	..	..	..	..	4	0 (per week).	4	0
			Bombay Scale.					
Condensed milk ..	..	..	..	..	4	0 (per week).	4	0
Tea	0	4 (daily)	0	4	0	4 (daily)	0	8
Sugar	1	8 (daily).	1	8	1	8 (daily)	2	0
At sea on two days in the week fresh meat ..	4	0 (daily).	8	0	4	0 (free from bone) (daily)	8	0
In harbour daily fresh meat ..	4	0 (daily)	4	0	4	0 (free from bone) (daily)	4	0

No. 3437, dated 29th October 1930, from Chamber, to the Government of India.

I am directed to acknowledge the receipt of your letter No. 31-M.II-30, dated the 15th October 1930, on the above subject, and to state that my Committee have no objection to the proposed revision in the scale of provisions supplied to Indian seamen on board ships.

APPENDIX XXI.

THE REPORT OF THE LOAD LINE COMMITTEE, 1927-29.

No. 42-M (1(4)-29, dated 6th March 1930, from the Government of India, Commerce Department, to Chamber.

I am directed to forward a copy of the Report of the Load Lines Committee, 1927-1929, appointed by the Board of Trade, and to say that the Government of India would be glad to receive at a very early date (if possible by the 21st April) any observations on the recommendations of the Committee that your Chamber may wish to make.

No. 928, dated 8th May 1930, from Chamber, to the Government of India.

With reference to your letter No. 42-M.I (4)–29, dated the 6th March 1930, I am directed to send hereby the views of my Committee on the above Report.

My Committee have read the Report of the Load Lines Committee, 1927-29, and have to offer the following observations thereon: My Committee are in general agreement with the recommendations made by the Load Line Committee in the report referred to above except in the case of the period of Indian Summer recommended by them as mentioned in Appendix IV under the heading "Seasonal Load Lines" to which a reference will be made in a subsequent paragraph.

There are, however, two points to which they would like to draw your attention in passing. Under the rules for determining the maximum load lines of Merchant Ships it is stated under paragraph 2 that the upper edge of the Deck Line is to pass through the point where the continuation outwards of the upper surface of the

free board deck intersects the outer surface of the shell. They are of the opinion that the word 'outer' should be replaced by the word 'inner' in view of the fact that the proper intersection can be accurately determined from the inner surface only. As regards the recommendation under para. 40 that the storm valve at the ship side should be associated with another valve, my Committee are of the opinion that this is not desirable. In several cases the leads will be very awkward and considerable difficulty will be found to keep them in working order.

As regards the period of Indian Summer, it was fixed as under in 1899 :—

Indian Summer, east of Tuticorin, *i.e.*, the Bay of Bengal—15th November to 25th May.

West of Tuticorin, *i.e.*, Arabian Sea from the 1st September to 25th May.

The Load Line (Zones) Committee of 1924 recommended that the duration of the Indian summer season should be reduced by 72 days east of Tuticorin and 147 days west of Tuticorin. My Committee regret to observe that the Load Line (Zones) Committee have not furnished any grounds in support of their recommendations. It is true that the limitations of the Indian summer season recently fixed by the Government of India are less onerous than the limitations recommended by the said Committee, but my Committee feel that such restrictions as have been imposed by the Government of India are not justified by the facts of the case. So far as the information of my Committee goes, they find only one fully laden vessel named the "Okara" was lost in the Bay of Bengal since 1899 when the rules defining the Indian summer season were promulgated. They do not think it equitable to base restrictive legislation upon such an isolated case which has occurred only once during the course of 30 years. Moreover, the limits of Indian summer season, as originally defined have proved to be perfectly safe and reasonable and hardly any reasonable case has been made out for their contraction.

In the absence of any published reasons for the reduction in the period of Indian summer both east of Tuticorin and west of Tuticorin it is difficult to understand what evidence my Committee should furnish to answer the other side. If the Load Line

Committee had in mind the cyclonic disturbance while they framed their recommendations, my Committee would like to state that neither the dates fixed by the Indian Government nor the dates recommended by the Load Line (Zones) Committee for the commencement of Indian summer season can be supported by the recorded official observations of winds and weather for a long period. It will be observed from the Bay of Bengal Pilot that the number of storms that occurred in December during the period 1877 to 1903, *i.e.* 27 years, was nine merely as compared with forty-four in July, forty in August, forty-nine in September and thirty-eight in October. So far as the Arabian Sea is concerned, there are practically no cyclones recorded in the month of September. In October it would appear that there were five cyclones recorded and in November ten during the entire period of 46 years from 1877 to 1922. Under the circumstances, my Committee do not think that Government are justified in reducing the period of Indian summer and fixing it as 1st December to 30th April in the Arabian Sea and 15th December to 30th April in the Bay of Bengal.

My Committee would also like to observe that more and more steamers are now being fixed with the Wireless Installation. Moreover the speed of the steamers plying in those waters is increasing year after year. It was also decided at the last Safety Conference that as it was of more importance to prevent disaster than to render assistance after the disaster has occurred, coast stations under the jurisdiction of different Government should be authorised to precede the broadcasting of emergency cyclone warnings by the alarm signal. This would limit the risks of the steamers passing through the cyclones. It is also common experience that Captains of full powered modern steamers experience little difficulty in avoiding the centre or dangerous quadrant of cyclones and both the wireless signals and the emergency cyclone warnings on the Coast stations give them every opportunity of moving out of the probable track of storms.

In view of the circumstances narrated above, my Committee feel that the restriction which the Government of India have placed upon the period of Indian summer both in the Bay of Bengal and the Arabian Sea will impose unnecessary and heavy burdens on the shipping plying in these waters. They are fully alive to

the fact that the considerations of safety should always have precedence over the requirements of economy, but in view of the records of the periods during which cyclones occur in these waters and bearing in mind the aids to safety with which the modern steamer is equipped, and taking cognisance of the fact that the wireless signals and the emergency cyclone warnings from the coast station considerably help the steamers to go out of the track of storms, and in view of the increased speed of the modern vessels, my Committee do not think that it is at all justifiable to put a higher restriction in the period of Indian summer than the restriction of fixing it from 1st October to 30th April for the Arabian Sea and from 15th November to 30th April for the Bay of Bengal.

As regards the Persian Gulf, my Committee do not see any reason why it should not be included in the permanent Indian summer zone just as the Red Sea has been included in that zone by the Load Line (Zones) Committee of 1924.

APPENDIX XXII.

INTERNATIONAL CONVENTION *RE*: SAFETY OF LIFE AT SEA.

No. 46-M-(4)-29, dated 13th March 1930, from the Government of India, Commerce Department, to Chamber.

I am directed to forward a copy of the papers noted in the margin and to request that the Government of India may be furnished with the views of your Chamber on the question of India's adherence to the International Convention for the Safety of Life at Sea, 1929.

(1) International Convention for the Safety of Life at Sea, 1929.

(2) A copy of the speech by the President of the International Conference delivered before moving that the Convention be adopted

(3) A copy of Memorandum prepared by the Board of Trade dealing with the proposed amendments in the International Regulations for preventing collisions at sea.

2. I am to invite particular attention to Articles 3 (6) and 12 (5) of the Convention, the provisions of which authorise an Administration to exempt its ships employed in the carriage of large numbers of unberthed passengers in special trades, such as the Pilgrim Trade, provided that the fullest provision which the

circumstances of the trade permit are made in the matter of construction, life-saving appliances and fire protection and that steps are taken to formulate, in concert with such other Contracting Governments as are directly interested in these trades, general rules which should be applicable to the particular circumstances of these trades. It was made clear and agreed to at the Conference that the Indian deck passenger trade is one of the special trades referred to. It will therefore be possible to exempt ships engaged in this trade from the provisions of the Convention in regard to life-saving appliances and the Government of India have now under consideration the question of the formulation of general rule in consultation with other Contracting Governments who are interested in these special trades.

3. I am also to invite attention to—

(*a*) the proposals made in the Convention for the revision of the international Regulations for preventing collisions at sea and to the Memorandum on this subject prepared by the Board of Trade, a copy of which forms an enclosure to this letter ; and

(*b*) the revised helm orders given in Article 41 of the Convention.

4. According to Article 65, the Convention will come into force on the 1st July 1931 as between the Governments which have deposited their ratifications by that date, provided that at least five ratifications have been so deposited. I am to explain that, should the Convention come into force, ships belonging to countries which have not adhered to the Convention may be compelled to comply with the requirements of the Convention before leaving a port of a country which has adhered to the Convention and will, even if they comply with the requirements, not enjoy the benefit of freedom from the necessary inspection under Article 53 of the Convention.

5. In conclusion, I am to say that the Government of India would be glad if they could be furnished with the views of your Chamber at as early a date as possible. The reply to this letter should be sent through the Principal Officer, Mercantile Marine Department, Bombay District, Bombay, and should reach the latter, if possible, not later than the 15th of June 1930.

No. 3099, dated 28th August 1930, from Chamber, to the Government of India.

I am directed by the Committee of this Chamber to acknowledge receipt of your letter No. 46-M-I. (4)–29, dated the 13th March 1930, together with the enclosures accompanying the said letter, and to send to you hereby their views on the subject referred therein :

My Committee generally agree with the Articles of the Convention and have no objection to offer to the Government of India ratifying the same. However, they would like to draw your attention to the following :—

Under sub-clause 6 of Article 4, and sub-clause 5 of Article 12, there are certain powers of exemption to signatories, in case of passenger ships engaged on the international voyages and employed in the carriage of large numbers of unberthed passengers in special trades such for example as Pilgrim Trade, from compliance with the Articles of the Convention. My Committee note that the Government of India have under consideration the question of drawing up general rules, and before rules are settled and promulgated, my Committee suggest that the commercial opinion be consulted on the subject. My Committee will like to know whether a large number of ships engaged in the pilgrim trade or in the deck passenger trade are not registered in India, and how the Government of India propose to deal with such ships in the matter of exemption and application of rules as Articles 3 and 12 refer to only ships registered in the country of administration.

My Committee are in agreement with the Articles in Chapter 4 under Radio Telegraphy, and in this connection would like to draw particular attention of the Government of India as to the desirability of providing facilities in this country for enabling Indians to learn the work of wireless operating. My Committee trust that Government will accept this desirability and accepting it, take means for producing the personnel in the country.

As rgards Article 22 *re* : certified life-boatmen as required by Regulation 41, my Committee would venture to suggest if the Regulation is to remain effective, means should be provided in the country for training such life-boatmen. For this purpose it will

be necessary to have training schools at different important ports centres in India, may be that such schools are either State-aided training schools or those working in collaboration with shipping interests where young men could be given training and examinations held and certificates issued.

Chapter 5—Safety of Navigation—Article 33.—If important maritime countries adopt the proposed change my Committee can see no objection on the part of India in adopting the same.

Regulation 42—Manning of Boats.—To give effect to this Regulation, my Committee feel that training opportunities should be given so that the needful in this respect is possible to be done in India.

As regards the International Regulation for preventing collisions, the local authorities should be given option to so adjust and alter the rules as to suit local conditions.

APPENDIX XXIII.

INTERNATIONAL CONVENTION *RE* MARKING OF HEAVY WEIGHTS TRANSPORTED BY SEA

No. 7008-F, dated 22nd January 1930, from the Government of Bombay, Political Department, to Chamber.

I am directed by the Governor in Council to forward herewith a copy of the Draft Convention concerning the marking of the weight on heavy packages transported by vessels, which was adopted by the International Labour Conference at its 12th Session held at Geneva in May-June 1929. I am to request that you will be so good as to favour Government with your Chamber's views as regards the desirability of ratifying the Convention, and also its opinion on the following points with special reference to paragraphs 2 and 4 of Article 1 of the Draft Convention :—

(*a*) Whether provision should be made for the approximate weight to be marked in exceptional cases where it is difficult to determine the exact weight.

(*b*) Whether the obligation for having the weight marked should be placed on the consignor or some other person.

I am further to request that a reply to this reference may be sent so as to reach Government not later than the 15th February, 1930.

LEAGUE OF NATIONS INTERNATIONAL LABOUR CONFERENCE.

Draft Convention concerning the marking of the weight on heavy Packages Transported by Vessels.

The General Conference of the International Labour Organisation of the League of Nations,

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Twelfth Session on 30th May 1929, and

Having decided upon the adoption of certain proposals with regard to the marking of the weight on heavy packages transported by vessels, which is included in the first item of the Agenda of the Session, and

Having determined that these proposals shall take the form of a draft international convention,

adopts, this twenty-first day of June of the year one thousand nine hundred and twenty-nine, the following Draft Convention for ratification by the Members of the International Labour Organisation, in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding Parts of the other Treaties of Peace:

Article 1.

Any package or object of one thousand kilograms (one metric ton) or more gross weight consigned within the territory of any Member which ratifies this Convention for transport by sea or inland waterway shall have had its gross weight plainly and durably marked upon it on the outside before it is loaded on a ship or vessel.

In exceptional cases where it is difficult to determine the exact weight, national laws or regulations may allow an approximate weight to be marked.

The obligation to see that this requirement is observed shall rest solely upon the Government of the country from which the package or object is consigned, and not on the Government of a country through which it passes on the way to its destination.

It shall be left to national laws or regulations to determine whether the obligation for having the weight marked as aforesaid shall fall on the consignor or on some other person or body.

Article 2.

The formal ratifications of this Convention under the conditions set forth in Part XIII of the Treaty of Versailles and in the corresponding Parts of the other Treaties of Peace shall be communicated to the Secretary General of the League of Nations for registration.

Article 3.

This Convention shall be binding only upon those Members whose ratifications have been registered with the Secretariat.

It shall come into force twelve months after the date on which the ratifications of two Members of the International Labour Organisation have been registered with the Secretary-General.

Thereafter, this Convention shall come into force for any Member twelve months after the date on which its ratification has been registered.

Article 4.

As soon as the ratification of two Members of the International Labour Organisation have been registered with the Secretariat, the Secretary-General of the League of Nations shall so notify all the Members of the International Labour Organisation. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other Members of the Organisation.

Article 5.

A Member which has ratified this Convention may denounce it after the expiration of ten years from the date on which the Convention first comes into force, by an Act communicated to the Secretary-General of the League of Nations for registration. Such

denunciation shall not take effect until one year after the date on which it is registered with the Secretariat.

Each Member which has ratified this Convention and which does not, within the year following the expiration of the period of ten years mentioned in the preceding paragraph, exercise the right of denunciation provided for in this Article, will be bound for another period of ten years and, thereafter, may denounce this Convention at the expiration of each period of ten years under the terms provided for in this Article.

Article 6.

At the expiration of each period of ten years after the coming into force of this Convention, the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this Convention and shall consider the desirability of placing on the Agenda of the Conference the question of its revision in whole or in part.

Article 7.

Should the Conference adopt a new Convention revising this Convention in whole or in part, the ratification by a Member of the new revising Convention shall *ipso jure* involve denunciation of this Convention without any requirement of delay, notwithstanding the provisions of Article 5 above, if and when the new revising Convention shall have come into force.

As from the date of the coming into force of the new revising Convention, the present Convention shall cease to be open to ratification by the Members.

Nevertheless, this Convention shall remain in force in its actual form and content for those Members which have ratified it but have not ratified the revising Convention.

Article 8.

The French and English texts of this Convention shall both be authentic.

The foregoing is the authentic text of the Draft Convention duly adopted by the General Conference of the International

Labour Organisation during its Twelfth Session which was held at Geneva and declared closed the 21st day of June 1929.

IN FAITH WHEREOF we have appended our signatures this fifteenth day of August 1929.

The President of the Conference. DR. BRAUNS.

The Director of the International Labour Office,

ALBERT THOMAS.

No. 316, dated 13th February 1930, from Chamber, to Government of Bombay.

I am directed by my Committee to send hereby their views on the above subject.

My Committee had in 1926 expressed themselves in opposition to the suggestion of marking the weight on such packages, but now the Convention having been adopted by the 12th Session of the International Labour Conference, they would confine their reply to the two points on which their opinion has been invited, *viz.* (*a*) whether provision should be made for the approximate weight to be marked in exceptional cases where it is difficult to determine the actual weight, and (*b*) whether the obligation for having the weight marked should be placed on the consignor or some other person.

With regard to (*a*), my Committee's reply is in the affirmative, with a proviso that such weight should not be considered authoritative for Customs purposes, the objective of the Convention being safety of Labourers. Regarding (*b*), the obligation for having the weight marked should be on the consignor.

APPENDIX XXIV.

SEAMEN'S WELFARE IN PORTS QUESTIONNAIRE re:

No. 898, dated 2nd May 1930, from Chamber, to the Government of Bombay, Political Department.

My Committee understand that the Provincial Governments have, under instructions from the Government of India, invited the views of the commercial bodies on the above subject. They do not, however, appear to have received any communication from

Government in this connection. My Committee would like to be informed as to the reason why their views have not been invited in the matter.

No. 7088-E, dated 8th May 1930, from the Government of Bombay, to Chamber.

With reference to your letter No. 898, dated the 2nd May 1930, I am directed by the Governor in Council to forward herewith a copy of a Questionnaire regarding the promotion of seamen's welfare in ports, and to request that the views of your Chamber thereon may be communicated direct to the Government of India in the Department of Commerce.

QUESTIONNAIRE.

A.—*Preliminary Question.*

1. Do you consider that the International Labour Conference should adopt a Recommendation on the subject of the promotion of Seamen's welfare in ports ?

B.—*Organisation.*

2. Is it desirable to provide for the institution, in all important ports where no such arrangements exist, of an authority or other officially recognised organisation comprising representatives of shipowners, seamen and the recognised institutions concerned, for the following purposes :—

(*a*) to promote and co-ordinate the necessary practical measures for the welfare of both national and foreign seamen, more particularly those indicated under C, D, E and F ;

(*b*) to collect in co-operation with the other public authorities concerned, all information as to the conditions prevailing in the port and adjacent areas as may be necessary to enable these practical measures to be effectively carried out ?

3. Do you consider it desirable that the International Labour Office should enter into contact with the Governments or the national committees to be set up for this purpose, in order to promote collaboration between all the national organisations concerned ?

C.—*Regulations.*

4. Is it desirable to provide for the adoption of legislative measures or regulations embodying among others the following measures, account being taken of national and local conditions :—

(*a*) Protection of seamen from the dangers of alcoholism by all means considered practicable, including—

(i) the regulation of the sale of alcohol ;

(ii) the reduction of the number of taverns in or near dock areas ;

(iii) the fixing of a closing time for such taverns.

(*b*) (i) Application of the existing provisions restricting the sale and use of narcotics ;

(ii) Necessity of instructing seamen in the dangers arising from the use of narcotics ;

(*c*) Prohibition of the employment of attendants of both sexes in public houses under a certain age ; (What age do you propose ?) ;

(*d*) Institution of official supervision of taverns, lodging-houses and hotels ;

(*e*) Supervision of persons visiting ships, in order to prevent persons desiring to go on board with the intention of introducing alcoholic drinks or narcotics or for other undesirable purposes from having access thereto ;

(*f*) (i) Sufficient lighting for docks ;

(ii) Fencing of the edges of docks wherever such a measure is possible, by fixed or moveable barriers ;

(*g*) Supervision of boatmen plying between the ships and the shore ;

(*h*) Removal from the port area of loafers and persons of no definite occupation ?

5. Is it desirable to consider the adoption of provision for ensuring the enforcement of the regulations, *e.g.* :—

(*a*) Organisation of special police force for the port and its surroundings ;

(*b*) Improved co-operation between the consuls and the local authorities;

(*c*) Greater practical facilities for seamen to communicate with their consul?

D.—*Hygiene.*

6. Should provision be made for measures to protect the health of seamen, and in particular for the following:—

(*a*) Prohibition of soliciting and enticing seamen in the harbour area;

(*b*) Propaganda amongst seamen by the national organisations, working if possible in contact with the voluntary organisations referred to in Article 25 of the Covenant and the technical bodies with which they co-operate, concerning the dangers of tuberculous, tropical, venereal and other diseases, the necessity for infected persons to undergo treatment, and the available facilities for such treatment;

(*c*) Organisation of prophylaxis and of free and accessible treatment for venereal diseases as provided for by the Brussels Agreement and the extension of this Agreement to as many countries as possible;

(*d*) Admission without difficulty of seamen of all nationalities and all religious beliefs to public hospitals and dispensaries in ports;

(*e*) Extension as far as possible to foreign seamen of the provisions made in the national sphere for protection against tuberculosis?

E.—*Practical Measures.*

7. Should measures be considered relating more particularly to accommodation for seamen, *e.g.*:

(*a*) Provision of a sufficient number of hostels for seamen of all nationalities satisfying all the necessary conditions at a reasonable price and subject to the official supervision mentioned in part C (4)?

(*b*) Institution and development in all ports of a certain size of

(i) meeting and recreation rooms (canteens and rooms for games),

(ii) libraries,

(iii) sports organisations,

(iv) opportunities for excursions;

(*c*) Extension of facilities, in connection with the majority of hostels, homes and other institutions for seamen or through other organisations, for enabling seamen to deposit their wages and to transmit them to their families from foreign ports;

(*d*) Institution or more general adoption of a system under which as soon as a seaman is enrolled he may allocate if he so desires, part of his wages for regular remittance to his family? (What system do you propose?)

F.—*Propaganda.*

8. Do you consider that it should be made possible for official or voluntary bodies to undertake propaganda with a view to ensuring the success of the proposed measures.

G.—*Financial Organisation.*

9. From what sources do you consider that the funds necessary for giving effect to the measures contemplated in the foregoing questions might be drawn?

10. Could provision be made for some contribution from the funds of social insurance institutions?

H.—*Possibility of a Draft Convention on Certain points.*

11. Do you consider that some, and if so which, of the points mentioned above might form the subject of a Draft Convention.

No. 1301, dated 28th August 1930, from Chamber to Government of Bombay.

I am directed by the Committee of this Chamber to send to you herewith their replies to the above questionnaire.

Replies to the Questionnaries Regarding Promotion of Seamens' Welfare in Ports.

A.—*Preliminary Question.*

Question 1 : As the object is promotion of seamen's welfare in Ports, the matter must be looked at from the point of view of promotion of seamen's welfare and from a broad and humanitarian principle. As in the end the welfare work must depend largely on voluntary efforts and the public opinion behind such endeavours, it is desirable for the International Labour Conference to consider the strength of public opinion and to consider the vountary endeavours which are being made in different maritime countries.

B.—*Organisation.*

Question 2: (*a*) & (*b*) : If the best results are to be obtained, much will depend on coordination of different organisations. A National Committee recognised by the Government of each country consisting of all interests, shipowners seamen and institutions which have for their object the promotion of seamen's welfare, be set up. No such Committee exists at present. Although there are institutions which have for their object to welfare of British and European seamen maintained out of donations and subscriptions, both Indian and European, no institution having for its main object the welfare of Indian seamen exists.

Question 3 : The services of the International Labour Office for promoting collaboration between all the organisations existing in different countries may be valuable, but the work itself should be left to local Committees as stated in reply to Ques. No. 2.

C.—*Regulations.*

Question 4 : Yes ; but the recommendation should only indicate the broad principles on which such measures should be based.

Question 4 : (*a*) (i) : Yes ; wherever the sale of alcohol is not regulated.

Question 4 (*a*) (*ii*) : Unless the number is very large, there is no necessity to make any reduction. The real problem is not the reduction in the number of taverns but the change in the psychology of the seamen, as in the provision of suitable substitutes

wherein under pleasant conditions non-alcoholic drinks will be served to seamen.

4 (*a*) (*iii*): Yes; the closing time should be fixed. It is understood that regulations exist in all important ports for closing of taverns at a particular hour.

4 (*b*) (*i*): The sale and use of narcotics are duly controlled. A small quantity is allowed to be sold or possessed at any one time.

4 (*b*) (*ii*): Knowledge of the dangers arising out of the use of narcotics is bound to be of benefit to seamen.

4 (*c*): According to our information only male attendants above the age of 18 are employed in public houses.

4 (*d*): Very desirable: taverns are already under official supervision. Such official supervision can with benefit be extended to lodging houses and hotels. It should be one of the functions of the Committee referred to in question No. 2.

4 (*e*): Yes; but the ultimate responsibility should rest with the Master of the ship.

4 (*f*) (*i*) and (*ii*): Desirable.

4 (*g*): So far as our information goes, boatmen plying for hire are licensed and are under the control of the Harbour Police.

4 (*h*): It is desirable to remove vagrants and persons without visible means of occupation from the port area. It is, however, difficult to achieve this object, as unregistered casual labour force is employed in many Docks at important ports.

Question. 5 (*a*): There should be a regular police force and not a special police force for the port and its surroundings. Unity of control is desirable.

Question. 5 (*b*): Desirable.

5 (*c*): Facilities exist at present; no objection to increase them as and where found necessary.

D. Hygiene.

Question. 6 (*a*), (*b*) and (*c*): Desirable; such measures as can be taken with advantage to achieve the object referred to in (*a*), (*b*) and (*c*) may be adopted.

6 (*d*): Yes; seamen of all nationalities should be admitted to public hospitals and dispensaries in ports, without distinction of caste, creed and belief.

6 (*e*): No distinction need be made between national and foreign seamen in giving protection against tuberculosis.

E. Practical Measures.

Question. 7 (*a*) and (*b*): The amenities referred to in question 7 (*a*) and (*b*) form the important items in the activities of institutions for the welfare of seamen which exist at important ports. Requirements mentioned in (*a*) and (*b*) should be provided for. As mentioned in answer to question No. 2, institutions for the welfare of British and European seamen are established in different ports in India towards which both Indians and Europeans have contributed. It is regrettable that nothing has been done for Indian seamen in India upto now and it is a matter of regret that Indian seamen are excluded from the organisations for the welfare of seamen set up in this country towards which Indians have made generous contributions. The Government of the Country have always made liberal contributions either towards the capital cost or maintenance of organisations meant for British and European seamen but so far as our information goes, they have done nothing for the welfare of Indian seamen upto now. It will be hardly just therefore to ask the International Labour Conference to adopt the recommendation as long as substantial endeavours have not been made to take effective steps for promoting the welfare of Indian seamen. It is a fact that a Committee was recently appointed to consider the desirability of starting an Indian Lascars' Home and it is also known that that Committee has made a report to start a Home for Indian seamen. The Government of India, who quite recently made liberal contributions towards the organisations meant exclusively for British and European seamen, have indicated that they would not take over any financial responsibility for the building of a Memorial in the shape of an Indian Sailors' Home

Unless this policy of discrimination between Indian and foreign seamen to the disadvantage of national seamen is radically changed, it will be only adding insult to injury if the Indian Government lend its support to the adoption of the recommendation referred to in question No. 1.

Question 7 (*c*) : Facilities enabling seamen for depositing and remitting their wages already exist. Where they do not exist, they should be started.

7 (*d*) : Provision has already been made under the Indian Merchant Shipping Act which enables seamen to allocate part of their wages for regular remittance to their families. In practice this is confined to those who have signed foreign articles for a period of 12 months or more. Demand for the extension of this system to coasting trade, where voyages are of a shorter duration, is not sufficient for any steps to be taken just at present.

F. Propaganda.

Question 8 : The nature of welfare work is such that propaganda is essential. Where organisations for the welfare of seamen exist those organisations are sure to carry on necessary propaganda, its result will be proportionate to the enthusiasm and ability of the officers presiding over those organisations. Where, however, the welfare work is in its initial stages, endeavour should be made to cultivate public opinion and to make the seamen realise the value and importance of welfare work. As regards Indian seamen for whom no welfare organisation exists at present, strong endeavours should be made by the Committee referred to in question No. 2 above, not only to start necessary institutions for the purpose but also to educate Indian seamen as to how they can in their interest take advantage of such organisations.

G. Financial Organisation.

Question 9 : Welfare work for seamen should be the concern both of the Government as well as of the people. Capital expenditure required for carrying out measures mainly intended for the benefit of Indian seamen should be provided partly by the Government, partly by such public authorities as Port Trusts and partly by Shipping Companies and commercial firms carrying on business at Ports. Such capital expenditure so far as India is concerned

has been provided for by the parties referred to above for welfare institutions for British and European seamen only. Nothing has been done so far for Indian seamen. As regards recurring expenditure, attempts should be made to make the institutions for the welfare of seamen, as far as possible, self-supporting. A reasonable charge should be made to the seamen for amenities provided by such institutions. Port authorities, Shipping companies and commercial firms as well as the Government may be invited to make annual donations towards such institutions. So far as Indian seamen are concerned, as stated above, no such institution actually exists for their welfare. Special endeavours should, therefore, be put forth and special contributions should be made by the Government, the Port authorities, the Shipping companies and the commercial firms for starting institutions for the welfare of Indian seamen.

Question. 10 : As no special insurance institutions exist in this country, the question does not arise.

H. Possibility of a Draft Convention on certain points.

Question II No.

APPENDIX XXV.

MINIMUM REQUIREMENT OF PROFESSIONAL CAPACITY FOR CAPTAINS ETC.-INTERNATIONAL QUESTIONNAIRE re.

No. 465 M. 1 (5)-30, dated 10th February 1930, from the Government of India, Commerce Department to Chamber.

The Thirteenth Session of the International Labour Conference held at Geneva in October 1929 had the following question on its agenda for the first discussion.

> "*Establishment by each maritime country of a minimum requirement of professional capacity in the case of Captains, Navigating and Engineer Officers in charge of watches on board ships.*"

And in accordance with the modifications made by the Twelfth Session in the double discussion procedure, the International Labour Office has prepared a questionnaire based upon the conclusions arrived at on the above question by the Thirteenth Session.

A copy of the Questionnaire is forwarded herewith and I am to say that the Government of India would be glad to have the views of your Chamber thereon.

2. In particular I am to invite attention to the following matters. The existing law in British India (Section 11 of the Indian Merchant Shipping Act, XXI of 1923) does not require that every officer, Navigating and Engineer, in charge of a watch should be in possession of a certificate of competency. The proposal contained in question 1 of the Questionnaire is, however, to the effect that every such officer should be certificated and I am to enquire whether in the opinion of your Chamber there would be any objection to the adoption of this proposal with or without reservation in respect of any particular class or classes of ships. If it is considered that practical considerations require that provision be made for exceptions, the Government of India would be glad, if they could be informed of the exceptions considered necessary. The third question of the Questionnaire enquires whether it should be left open to national laws or regulations to provide for minor exceptions. If it is considered that minor exceptions should be permitted, I am to ask that the Government of India be informed of the exceptions which your Chamber would recommend should be provided for. In this connection I am to say that, under section 11 of the Indian Merchant Shipping Act, home-trade ships of under 300 tons are not required to be provided with a certificated Master or navigating officer and that the Government of India understand that in practice foreign-going country craft, that is, sailing vessels not square rigged and not exceeding 300 tons, are not required to be provided with certificated officers. In regard to Question 4, I am to say that under the existing rules, every Engineer candidate for a certificate of competency is required to have served 18 months at sea and to enquire whether in case the proposal that all Engineer officers in charge of a watch should be required to be certificated is accepted, it is considered that it would still be essential that one of the qualifications for the grant of certificates of competency to junior Engineer officers in charge of a watch should be a certain period of sea service. Finally I am to ask that the Government of India be informed whether it is considered that proposals on the lines of Questions 4, 5 and 6 of the Questionnaire should be included

in the draft Convention or whether the Convention should be limited to the proposals referred to in Questions 1, 2 and 3.

3. I am to add that the Government of India would be pleased if the reply to this letter could reach them at the latest by the 15th March 1930.

QUESTIONNAIRE.

1. Do you consider that the International Labour Conference should adopt a Draft Convention specifying that national laws or regulations are to require certificates of professional capacity for employment as :

(*a*) master or skipper ;

(*b*) navigating officer in charge of a watch ;

(*c*) Chief Engineer ;

(*d*) engineer Officer in charge of a watch ?

2. Do you consider that the scope of the Draft Convention should be determined on the basis of general definitions, which might be as follows :—

Master or skipper.—Any person having command or charge of a vessel ;

Navigating officer in charge of a watch.—Any person, not being a pilot, who is navigating a ship ;

Chief Engineer.—Any person permanently responsible for the engine-room staff ;

Engineer Officer in charge of a watch.—Any person who is running a ship's engines ?

3. Do you consider that it should be left open to national laws or regulations to provide for minor exceptions on such grounds as, for example, type of vessel and tonnage ? If so, what proposals do you make ?

4. Do you consider it desirable, while leaving it to national laws or regulations to settle in detail the conditions for granting certificates, to indicate in the international regulations that these

conditions as a whole are to be directed towards securing the following guarantees:

(*a*) a minimum age;

(*b*) a certain standard of professional experience (length of service at sea, a qualifying period in the engine-room or in workshops, etc).

(*c*) the passing of one or more examinations organised and supervised by the public authorities?

5. Do you consider it desirable to indicate that national laws or regulations are to provide for sanctions against:

(*a*) a shipowner engaging a master or officer who is not duly certificated as required by the Draft Convention;

(*b*) a master or officer making use of forged documents to obtain employment as such?

What do you consider should be the character of such sanctions (penal or disciplinary)?

6. Is it desirable to provide for special measures for supervising the enforcement of the rules of the Draft Convention?

In particular, is it desirable to empower the authorities responsible for ensuring compliance with the laws or regulations relating to the safety of navigation to detain any vessel not carrying the duly certificated officers required?

No. 739, dated 2nd April 1930, from Chamber, to Government of India.

I am directed by the Committee of this Chamber to acknowledge the receipt of your letter, dated the 10th February 1930, on the above subject and to offer the following observations:—

Before answering questions, my Committee would like to remark that the subject of minimum capacity for ships officers is not only to be studied from the view point of the safety of seamen but is also to be considered from the standpoint of the safety of passengers and cargoes, etc. Under the circumstances, my Committee are afraid that the Safety Conference, such as the International Conference on Safety of Life at Sea which was held in London last year is the proper authority to deal with such a question in all its aspects

and it is therefore doubtful whether this question can come within the scope of the International Labour Organisation. The questionnaire moreover has gone beyond the intention of the Joint Maritime Commission inasmuch as it deals with Officers not in charge of a watch and also with the qualifications of Officers other than those requisite for a watch keeping, Subject to the above reservations, my Committee propose to deal with the questions in the order in which they are put up.

Question No. 1: Under Section 11 of the Indian Merchant Shipping Act, 1923, ships are required to carry following Officers and Engineers with certificates :—

I.—*Navigating Officers.*

Foreign going and Home Trade ships of 300 tons and upwards both cargo as well as passenger ships :

(*a*) One Master,

(*b*) At least one Officer holding a certificate not lower than that of a Mate.

II.—*Engineers.*

1. Foreign going Steamships both cargo as well as passengers with 100 nominal Horse Power and upwards :

(*a*) 1st Class Engineer.

(*b*) One 2nd Class Engineer.

2. Under 100 nominal Horse Power :
Either one 1st Class or one 2nd Class Engineer.

3. Home Trade passenger and cargo steamships and steamships flying the foreign flag carrying passengers between places in British India :

(*a*) With 50 nominal Horse Power and upwards :
One 1st Class or one 2nd Class Engineer.

(*b*) With less than 50 nominal Horse Power :
Either one 1st Class or 2nd Class Engineer or an Engine Driver duly certificated.

It will thus be observed that the present Indian Law does not require that every Officer navigating and Engineer in charge of

a watch should be in possession of a certificate of competency. In general practice, however, foreign going ships carrying either cargo or passenger or both employ generally certificated Officers for keeping watch on board the ship. That is now, however, the general practice so far as the Home Trade ships are concerned but they also allow such Officers to keep a watch as have got sufficient experience for the purpose. As regards the Engineers, both the Home Trade and the foreign going ships including the Liners as a general rule do not always employ all Engineers, especially the 3rd and 4th who have got a certificate for keeping a watch in the Engine room. Those, however, who have not got the certificate have considerable experience of the work which they are entrusted to carry on. My Committee would add that the regulations that are in force have worked satisfactorily so far and no accidents have been reported to have occurred on the ground that either the watch keeping Officer or the Engineer was not a certificated one. My Committee, however, would have considered the proposal set forth in question No. 1 favourably inspite of the circumstances narrated above, but in view of the entire absence of facilities in India for becoming Marine Engineers and the Government having done nothing in this direction up to now and having regard to the period of four years from now before which not even the cadets of the recently established Training Ship "Dufferin" would be in a position to obtain their certificates as Officers and bearing in mind the extreme difficulty to get reliable and steady certificated Officers and Engineers from the United Kingdom and having taken note of the fact that many shipowners even in the United Kingdom are complaining about the growing scarcity of qualified men especially for the Engine Department and believing that it is not the intention of the Government to set up a standard for watch keeping Officers and Engineers even lower than the standard fixed for the Officers and Engineers of the Home Trade ships, they regret their inability to approve the proposal at this stage that the Government of India should be a party to an International Convention as suggested in question No. 1.

Question No. 2: Subject to the observations made in the above paragraph, the definition will be in order when it may be found possible to adopt the draft Convention.

Question No. 3: When the draft Convention is adopted, it should be left to the national laws or regulations to provide for such exceptions as may be considered advisable on such grounds as types of vessels, tonnage, etc. The present limit of 300 tons for tonnage may be retained. The question whether to exclude the State-owned ships and the fishing vessels may be considered. It is also desirable that before framing any new regulations, local practices and usages should receive careful consideration. Moreover, the interests of the present experienced seamen should be carefully protected when the new regulations are brought into force and they should be granted the necessary certificates for watchkeeping purposes having regard to their experience and service at sea.

As regards questions Nos. 4, 5 and 6, my Committee are of opinion that they should not form part of the draft Convention. With that reservation my Committee will deal with these questions.

Question No. 4: The reply is in the affirmative. The conditions for service laid down under the present Indian Law meet all the requirements laid down in question No. 4.

Question No. 5: My Committee would like to draw the attention of the Government to the fact that under sub-clauses (*a*) and (*b*) of clause 2 of Section 92 of the British Shipping Act, 1894, and under Section 13 of the Indian Merchant Shipping Act, sanctions are provided for penalty for those who serve as a Master, Mate or Engineer without a certificate and for the shipowners who employ them. Under the above sections the shipowner employing the person as an Officer without ascertaining as to whether he is duly certified or not is liable to be fined to the extent of £50 or Rs. 500. There is, however, no provision in the Indian Merchant Shipping Act penalising a Master or an Officer for making use of the forged documents for obtaining employment and such offences are covered by the Indian Penal Code. My Committee, however, think that there should be some such provision in the Indian Merchant Shipping Act as is embodied in Section 104 of the British Merchant Shipping Act, 1894, which would treat offences of using forged certificates as misdemeanour instead of treating them as cases falling under the provisions of the Indian Penal Code.

Question No. 6: The national law and the national regulations of the country becoming a party to the draft Convention should enforce them in a manner which takes careful note of the peculiar conditions obtaining in that country.

APPENDIX XXVI.

PROTECTION OF SEAMEN IN CASE OF SICKNESS, INCLUDING THE TREATMENT OF SEAMEN INJURED ON BOARD SHIPS.

No. 465-M. 1 (8)-30, dated 21st February 1930, from the Government of India, Commerce Department, to Chamber.

The Thirteenth (Maritime) Session of the International Labour Conference held at Geneva in October 1929 had on its Agenda the following question for the first discussion :—

" The protection of seamen in case of sickness (including the treating of seamen injured on board ship), *i.e.*,

(*a*) the individual liability of the shipowner towards sick or injured seamen ;

(*b*) sickness insurance for seamen ;"

and in accordance with the modification made by the Twelfth Session of the Conference in the " double discussion " procedure the International Labour Office has prepared a Questionnaire based upon the Conclusions arrived at on the above question by the Thirteenth Session. A copy of the Questionnaire is forwarded herewith, and I am to say that the Government of India would be glad to have the views of your Chamber thereon.

2. The reply to this letter should be sent through the Principal Officer, Mercantile Marine Department, Bombay District, Bombay, and should reach the latter not later than the 7th April 1930.

First Part.

The individual liability of the shipowner towards sick or injured Seamen.

Possibility of International Regulation.

1. Do you consider that the International Labour Conference should adopt a Draft Convention to regulate internationally the individual liability of the shipowner towards sick or injured seamen ?

I. Scope.

As regards ship.

2. Do you consider that the shipowner's liability should apply to all ships ordinarily engaged in maritime navigation, with the exception of ships of war ?

3. Do you consider it necessary to provide for exceptions, in particular in the case of :

(*a*) vessels of public authorities not engaged in trade ;

(*b*) coastwise fishing boats ;

(*c*) boats of small tonnage, and, if so, what tonnage limit do you propose ?

As regards seamen.

4. Do you consider that the shipowner's liability should apply to every person employed on board ?

5. Do you consider it necessary to provide for exceptions, in particular in the case of :

(*a*) pilots ;

(*b*) persons employed in ports in repairng, loading and unloading ships ;

(*c*) members of the shipowner's family who work exclusively on his behalf, and who live in his house ?

II. Risks covered.

Nature of the risks covered.

6. Do you consider that the shipowner's liability should cover the risks of sickness, injury and death ?

Definition of the period of protection.

7. Do you consider that the periods of protection should :

(*a*) commence with the engagement ;

(*b*) terminate with the engagement ?

Relation between the service and the risks covered.

8. Do you consider it necessary to provide for an exception in the case of injury occurring otherwise than in the service of the ship ?

Risks covered and the notion of fault.

9. Do you consider it necessary to provide for exceptions :

(*a*) in case of injury wilfully caused by the seaman ;

(*b*) in case of sickness due to the wilful misconduct of the seaman, or to his own act ?

III. Benefits and shipowner's liability

Assistance to the sick or injured seaman.

Nature of assistance.

10. Do you consider that the assistance to be provided for the sick or injured seaman should comprise—

(*a*) medical treatment and the supply of proper and sufficient medicines and appliances necessitated by the sickness or injury ;

(*b*) maintenance—board and lodging ?

Duration of assistance.

11. Do you consider that the seaman who is not compulsorily insured against sickness and accident, or is not covered by workmen's compensation legislation, should be entitled to assistance ;

(*a*) until cure, healing of the injury, or certification that the sickness is incurable ; or

(*b*) until repatriation ; or

(*c*) until the end of the ship's voyage ; or

(*d*) until the expiry of a period prescribed by law, and, if so, what length would you propose for the prescribed period ?

12. Do you consider that the seaman who is compulsorily insured against sickness and accident, or is covered by workmen's compensation legislation, should be entitled to assistance until the time when he is entitled to the medical benefits provided by sickness insurance, accident insurance, or workmen's compensation legislation ?

Arrangements for assistance.

13. Do you consider that the responsibility of the shipowner or his representative for the arrangements for assistance should

only cease when such responsibility can be transferred to the consular authority or another competent authority appointed by national laws or regulations ?

Defrayment of the expenses of assistance.

14. Do you consider that the shipowner should be liable :

(*a*) to meet directly the expenses of assistance by paying himself the cost of medical treatment, drugs, hospital treatment, board and lodging ; or

(*b*) to repay the actual cost of assistance ; or

(*c*) to defray the cost of assistance in accordance with a tariff prescribed by law or regulations ?

15. Do you consider that the shipowner or his representative should be liable to deposit an advance or security with the authority which assumes responsibility for the arrangements for assistance, especially in the case where the sick or injured seaman is left behind abroad ?

Wages of the sick or injured seaman.

16. Do you consider that the seaman who is not compulsorily insured against sickness and accident, or is not covered by workmen's compensation legislation, should be entitled to wages :

(*a*) until termination of service ; or

(*b*) until cure, healing of the injury, or certification that the sickness is incurable ; or

(*c*) until repatriation ; or

(*d*) until the end of the ship's voyage ; or

(*e*) until the expiry of a period prescribed by law—*e.g.*, four months—and, if so, what length do you propose for the prescribed period ?

17. Do you consider that the seaman who is compulsorily insured against sickness and accident, or is covered by workmen's compensation legislation should be entitled to wages until the time when the cash benefits provided by sickness insurance, accident insurance, or workmen's compensation legislation become payable?

Repatriation of the sick or injured seaman.

18. Do you consider it necessary to provide in the Draft Convention that the sick or injured seaman shall be entitled to repatriation at the expense of the shipowner ?

19. Do you consider that the expenses of repatriation should comprise the expenses of transport, and of the board and lodging of the seaman during the voyage ?

20. Do you consider that the place to which the sick or injured seaman is to be repatriated should be :

(*a*) the port at which he was engaged, or

(*b*) the port of departure of the ship, or

(*c*) a port in his own country ?

Burial Expenses.

21. Do you consider that the shipowner should be liable to meet the expenses of burial ;

(*a*) in case of death on board ;

(*b*) in case of death on shore if, at the time of his death, the seaman was entitled to assistance at the shipowner's expense ?

Protection of the property of seaman deceased or left behind on account of sickness or injury.

22. Do you consider that the shipowner or his representative should be liable, in case of the death of the seaman on board or in case the sick or injured seaman is left behind :

(*a*) to draw up an inventory of the seaman's effects and an account of the wages due to him ;

(*b*) to deliver to the seaman, or, in the event of his death, to his legal representatives, his effects and wages (including the proceeds of the sale of objects which could not be kept on board) either directly or through the agency of the consular authority, maritime authority, or some other competent authority ?

IV.—Settlement of disputes.

23. Do you consider it necessary to frame provisions for settling disputes by means which shall be readily accessible, rapid and inexpensive ?

24. In particular, do you consider it possible to—

(*a*) make it obligatory to essay conciliation in case of dispute between shipowner and seaman ;

on the initiative of a competent authority or at the request of either party :

(*b*) make it necessary to decide, such decisions having interim effect, disputes occurring outside the country of the vessel's flag ?

SECOND PART.

Sickness Insurance for Seamen.

Possibility of International Regulation.

1. Do you consider that the International Labour Conference should adopt a Draft Convention to regulate internationally sickness insurance for seamen ?

I. Scope.

As regards ships.

2. Do you consider that compulsory sickness insurance should apply to all ships engaged in maritime navigation, including sea fishing vessels, but excluding ships of war ?

3. Do you consider it necessary to provide for exceptions, in particular for vessels of public authorities not engaged in trade ?

As regards seamen.

4. Do you consider that compulsory sickness insurance should apply to every person employed on board ?

5. Do you consider it necessary to provide for exceptions, in particular for :

(*a*) foreign seamen ;

(*b*) seamen not resident in the country of the vessel's flag ;

(*c*) masters and officers in receipt of remuneration which is high in relation to the general level of remuneration;

(*d*) members of the employer's family;

(*e*) pilots;

(*f*) workers below or above specified age limits?

II. Period of Protection.

6. Do you consider that the period of protection should extend:

(*a*) from the beginning of the engagement until termination of service;

(*b*) and, further, until the expiry of a specified period from the termination service?

III. Benefits.

Sickness benefit.

7. Do you consider that sickness benefit should be paid to a seaman who is incapable of work by reason of sickness, is not entitled to his wages, and is present in the country in which the insurance institution is established?

Benefit for dependents of seaman who is abroad.

8. Do you consider it necessary to provide for the payment of benefit to the dependents of a seaman during the period between the expiry of his right to wages and his return to the country in which the insurance institution is established?

Qualifying and waiting periods.

9. Do you consider it necessary to provide for allowing the payment of benefit to be made conditional on completion of a qualifying period and the expiry of a waiting period of a few days?

Sickness due to the seaman's wilful misconduct.

10. Do you consider it necessary to provide for an exception in case of sickness due to the seaman's wilful misconduct?

Duration of benefit.

11. Do you consider it necessary to fix in the Draft Convention the period during which benefit is to be payable in case of incapacity for work? If so, what period do you propose?

Rate of benefit.

12. Do you consider that the rate of benefit should be :

(*a*) a flat rate ; or

(*b*) a rate varying with the service category or wages of the seaman ?

Family allowance.

13. Do you consider it necessary to make special provision on behalf of seamen having family responsibilities ?

Medical Benefit.

Content of medical benefit.

14. Do you consider that a sick seaman should be entitled to medical benefit comprising :

(*a*) medical treatment and the supply of proper and sufficient medicines and appliances :

(*b*) and, where necessary, hospital treatment or the expenses thereof ?

Condition for medical benefit.

15. Do you consider that the grant of medical benefit should be conditional on the presence of the sick person in the country in which the insurance institution is established ?

Duration of medical benefit.

16. Do you consider that medical benefit should be granted :

(*a*) as long as the sick person needs it ; or

(*b*) during a certain period from the beginning of the sickness ; if so, what period do you propose ?

Family medical benefit.

17. Do you consider it desirable to provide for the grant of medical benfit to members of the seaman's family living in his house-hold and dependent on him ?

Maternity benefit.

18. Do you consider it desirable to provide that benefit is to be granted :

(*a*) in case of the confinement of a woman employed at sea ;

(*b*) in case of the confinement of the wife of an insured seaman ?

Funeral benefit.

19. Do you consider it desirable to provide for the payment of a benefit on the death of an insured seaman ?

IV. Financial Resources.

20. Do you consider that the Draft Convention should affirm the principle of the joint contribution of the employer and of the insured person ?

21. Do you consider that the Draft Convention should make provision for a financial contribution by the public authorities ?

V. Insurance Institutions.

22. Do you consider that the Draft Convention should affirm the principle of self-government of the insurance institutions, under the supervision of the public authorities ?

23. Do you consider that the Draft Convention should provide for the participation of insured persons and employers in the management of the insurance institutions ?

VI. Settlement of Disputes.

24. Do you consider that the Draft Convention should provide for a right of appeal to be granted to the insured person in case of dispute concerning his right to benefit ?

25. Do you consider it desirable to entrust the settlement of disputes concerning benefits to special tribunals ?

No. 929, dated 8th May 1930, from Chamber to the Government of Bombay, Mercantile Marine Department.

As desired in the Government of India, Department of Commerce, letter No. 465-M.I (8)–30, dated the 21st February 1930, I am directed to send to you herewith replies of my Committee to the above questionnaire, which you will kindly forward to the Government of India.

REPLIES TO THE QUESTIONAIRE re PROTECTION OF SEAMEN IN CASE OF SICKNESS INCLUDING THE TREATMENT OF SEAMEN INJURED ON BOARD SHIP.

FIRST PART

Individual liability of the shipowner towards sick or injured Seamen.

Possibility of International Regulation.

Question 1 : No. There is hardly any maritime country in which the laws have not imposed obligation on shipowners in case of the sickness, injury or death of seamen. Moreover the great variety of customs, laws and regulations in the different countries on the protection of seamen in case of sickness, injury or death make it undesirable and even impossible that an international understanding on the subject should be embodied in a convention. The development of shipowners' liability should be left to the free play of forces within national legislation and the Conference should therefore adopt a recommendation laying down a few leading and generally accepted principles.

Answers to the subsequent questions are to be read in the light of the above observations.

I. Scope.

As regards Ships.

Question 2 : Yes.

Question 3 (*a*) : No.

(*b*) Yes ; as the fishing industry is to be considered separately from the Merchant Marine.

As regards seamen.

Question 4 : Yes, except persons belonging to a special occupation not directly related to maritime work and who are not employed by a Master or Shipowner such as musicians, hair-dressers and people coming under such category.

Question 5 (*a*) : Yes, both pilots and Harbour Masters should not be covered by shipowners.

(*b*) Persons other than seamen employed in ports in repairing, loading and unloading ships should not come under the liability of shipowners.

(*c*) : Yes.

II. Risks covered.

Nature of the risks covered.

Question 6 : Yes.

Definition of the period of protection.

Question 7 (*a*) : The period of protection should commence with the engagement.

(*b*) The period of protection should end either on the date on which the engagement is terminated or on the date of the arrival at the port to which the seamen has a right to be repatriated whichever is later.

Relation between the service and the risks covered.

Question 8 : Yes.

Risks covered and the notion of fault.

Question 9 (*a*) and (*b*) : Yes.

III. Benefits and Shipowner's Liability.

Assistance to the Sick or Injured Seamen.

Nature of assistance.

Question 10 (*a*) and (*b*) : Yes.

Duration of assistance.

Question 11 (*a*), (*b*), (*c*) and (*d*) : The seamen shall be entitled to assistance until the medical man pronounces that he is fit to work or declares that the sickness is incurable and the seaman is repatriated to a proper return port.

Question 12 Yes :

Arrangements for assistance.

Question 13 : Yes.

Defrayment of the expenses of assistance.

Question 14 (*a*), (*b*) & (*c*) : The shipowner should be liable to meet directly the expenses of assistance by paying himself the cost of medical treatment, drugs, hospital treatment, board and lodging.

Question 15 : Yes.

Wages of the sick or injured seaman.

Question 16 (*a*), (*b*), (*c*), (*d*) & (*e*): The seaman should be entitled to wages until the date of the termination of his service or the date on which he arrives at the port to which he is repatriated whichever is later.

Question 17 : Yes. There should, however, be no overlapping of the period.

Repatriation of the sick or injured seaman.

Question 18 : The sick or injured seaman shall be entitled to repatriation at the expense of the shipowner. It is doubtful, however, if it is competent to this Conference to include this item in the draft convention in view of the convention on the subject of repatriation made in 1926.

Question 19 : Yes.

Question 20 (*a*), (*b*) & (*c*) : The place to which the sick or injured seaman is to be repatriated should be either the port at which he was engaged or any other port which may have been mutually agreed to between the shipowner and the seaman.

Burial expenses.

Question 21 (*a*) & (*b*) : Yes.

Protection of the property of seamen deceased or left behind on account of sickness or injury.

Question 22 (*a*) & (*b*) : Yes.

IV. Settlement of Disputes.

Question 23 : Yes.

Question 24 (*a*) : Yes, both on the initiative of the competent authority as well as on the request of either party.

(*b*) : Yes.

SECOND PART.

Sickness Insurance for Seamen.

Possibility of International Regulation.

Question 1. No : The sickness insurance should be left to the free play of forces within national legislation. It must have regard to and fall within the general framework of and protective provisions of the country concerned. The important point to be borne in mind is that after the individual liability of the shipowner has ended, provision should be made for continuing the protection of the seamen either.

(*a*) by the insurance system as provided by the International law having regard to the general framework of the various schemes for assistance in each country, or

(*b*) by any other system as provided nationally. Moreover the unity and inter-relation of the social services in each country should be maintained and the dangers inherent in any attempt to isolate and tamper with the different services should be carefully avoided. These results could be best achieved by way of a recommendation confined to a few leading and generally accepted principles.

Although the Committee of this Chamber favour the system of sickness insurance for seamen so that there should be no gap between the period of protection from sickness by shipowners and by the insurance system, they are fully alive to the fact that no system of sickness insurance exists in this country although the question of sickness insurance is at present being examined by the Royal Commission. The Committee of the Chamber, however, would do their part of the work provided the Government inaugurate a system of sickness insurance for seamen.

I. Scope.

As regards ships.

Question 2 : Yes. The question as regards the sea fishing vessels should be separately considered.

Question 3 : No.

As regards Seamen.

Question 4 : Yes, except such persons belonging to a special occupation not directly related to maritime work and who are not employed by a Master or shipowner such as musicians, hair-dressers, etc.

Question (*a*) : No.

(*b*) : No.

(*c*) : Yes.

(*d*) : Yes.

(*e*) : Yes.

(*f*) : No.

II. Period of Protection.

Question. 6 (*a*) & (*b*). Yes.

III. Benefits.

Sickness Benefit,

Conditions for benefit.

Question 7 : It should always be paid to the seamen who is incapable of work by reason of sickness, is entitled to his wages, is present in the country in which the insurance institution is established or has served for an aggregate period of 12 months on board a ship flying a flag of the country in which the insurance institution is established.

Benefit for dependents of seaman who is abroad.

Question 8 : Yes.

Qualifying and waiting periods.

Question 9 : No.

Sickness due to the seaman's wilful misconduct.

Question 10 : Yes.

Duration of benefit.

Question 11 : Yes. Such a period as may be consistent with the general framework of the insurance system in the country, and the limits provided by the Indian Workmen's Compensation Act may be considered.

Rate of benefit.

Question 12 (*a*) & (*b*) : A rate varying with the service category or wages of the seaman.

Family allowance.

Question 13 : Yes.

Medical benefit.

Content of medical benefit.

Question 14 (*a*) & (*b*) : Yes.

Condition for medical benefit.

Question 15 : The grant of medical benefit should not be made conditional on the presence of the sick person in the country in which the insurance institution is established. It should be extended to the seaman who has served for an aggregate period of 12 months on board a ship flying the flag of the country in which the Insurance institution is established. If it is made conditional on the presence of the sick person in the country, in which the insurance institution is established, a very large number of seamen will be excluded from the benefit of this scheme. As the primary object of the clause is to secure for all seamen protection from sickness, such an exclusion will defeat the object which all have in view. It will particularly exclude the large number of Indian seamen who are employed on British ships. It may be noted that the British shipowners have to contribute their share of sickness insurance for every Indian seaman employed on their steamers but the Indian seaman employed on British ships do not come under the scheme of sickness insurance. The amount of contribution made by the British shipowners swelled year after year and was called the Lascar's fund. The object of this fund, however, was oles as under from the name of the fund. Although the fund was called the Lascar's fund, the lascars did not receive even a penny's benefit from the fund. It has been argued that there would be administrative difficulties if the extension of the medical benefit is given to people not residing in the country in which the insurance institution is established. In view, however of the relation between England and India and also in view of the position of British shipping in Indian maritime trade, there would not be

the slightest difficulty in evolving an effective administrative scheme for extending the medical benefit to the Indian seamen as referred to above. It may be added that this question was raised both in the Committee and later in the Conference and it was lost by one vote on both these occasions.

Duration of medical benefit.

Question 16 (*a*) & (*b*) : Such a period should be fixed as would be consistent with the general framework of the sickness insurance system in the country.

Family medical benefit.

Question 17 : No.

Maternity benefit.

Question 18 (*a*) & (*b*) : Yes.

Funeral benefit.

Question 19 : The payment of a benefit on the death of insured seamen cannot arise out of the question of the protection to be given to him against sickness by a system of sickness insurance.

Financial resources.

Question 20 : Certainly.

Question 21 : Certainly.

V. Insurance Institutions.

Question 22 : The principle of self-government of the Insurance institutions with proper safeguards and under the supervision of public authorities should be recognised.

Question 23 : Yes.

VI. Settlement of Disputes.

Question 24 : Yes.

Question 25 : Yes, provided such special tribunals thus set up would be both expeditious and inexpensive.

APPENDIX XXVII.

SEAMEN'S ARTICLES OF AGREEMENT.

No. 465-M. 1-(3)-29, dated 17th December 1929, from the Government of India, Commerce Department to Chamber.

I am directed to enclose a copy of the Draft Convention concerning Seamen's Articles of Agreement adopted by the International Labour Conference at its 9th Session held at Geneva in June 1926. In September 1927, the Indian Legislatures recommended that the question of the ratification of this Draft Convention should be considered at a later date when the amendments necessary to bring the existing law into conformity with the Draft Convention have been further, examined in consultation with parties interested. Before proceeding further the Government of India decided to enquire from His Majesty's Government whether they were ratifying the Convention and if so whether they were amending the English Merchant Shipping Law with which the Indian Merchant Shipping Law is closely interlocked. Information has now been received that His Majesty's Government have ratified the Convention and have been able to do so without legislation.

2. The Convention is largely covered by the existing law and procedure in India. An examination of the Convention, however, indicates that the Indian law would require amendment in the following particulars in order to conform exactly with the Convention.

(*a*) Article 3.—Reasonable facilities to examine the Articles of Agreement before they are signed shall be given to the Seaman and also to his Adviser.

(*b*) Article 13.—The seaman may claim his discharge in order to obtain a higher post or in other circumstances essential to his interests.

(*c*) Article 14.—The seaman shall have the right to obtain on his discharge a separate certificate as to the quality of his work or failing that a certificate indicating whether he has fully discharged his obligations under the Agreement.

Article 5 would also require a cessation of the existing practice of entering in the continuous discharge certificate remarks on the seaman's conduct and ability.

3. The Government of India are inclined to the view that the draft Convention should be ratified by India but before coming to a final decision they would be glad to be furnished with the views of the Indian Merchants' Chamber, on the subject. The reply to this letter should be sent to this Department through the Port Officer, Bombay, and should reach the latter not later than the 21st January 1930.

Draft Convention concerning Seamen's Articles of Agreement adopted by the International Labour Conference at its Ninth Session held at Geneva in June 1926.

The General Conference of the International Labour Organisation of the League of Nations.

Having been convened at Geneva by the Governing Body of the International Labour Office, and having met in its Ninth Session on 7th June 1926, and

Having decided upon the adoption of certain proposals with regard to seamen's articles of agreement, which is included in the first item of the agenda of the Session, and

Having determined that these proposals shall take the form of a draft international convention,

adopts, this twenty-fourth day of June of the year one thousand nine hundred and twenty-six, the following Draft Convention for ratification by the Members of the International Labour Organisation, in accordance with the provisions of Part XIII of the Treaty of Versailles and of the corresponding Parts of the other Treaties of Peace :

Article 1.

This Convention shall apply to all seagoing vessels registered in the country of any Member ratifying this Convention, and to the owners, masters and seamen of such vessels.

It shall not apply to :

ships of war,

Government vessels not engaged in trade,
vessels engaged in the coasting trade,
pleasure yachts,
Indian country craft,
fishing vessels.

Vessels of less than 100 tons gross registered tonnage or 300 cubic metres, nor to vessels engaged in the home trade below the tonnage limit prescribed by national law for the special regulation of this trade at the date of the passing of this Convention.

Article 2.

For the purpose of this Convention the following expressions have the meanings hereby assigned to them, *viz*.

(*a*) The term "vessel" includes any ship or boat of any nature whatsoever, whether publicly or privately owned, ordinarily engaged in maritime navigation.

(*b*) The term "seaman" includes every person employed or engaged in any capacity on board any vessel and entered on the ship's articles. It excludes masters, pilots, cadets and pupils on training ships and duly indentured apprentices, naval ratings, and other persons in the permanent service of a Government.

(*c*) The term "master" includes every person having command and charge of a vessel except pilots.

(*d*) The term "home trade vessel" means a vessel engaged in trade between a country and the ports of a neighbouring country within geographical limits determined by the national law.

Article 3.

Articles of agreement shall be signed both by the shipowner or his representative and by the seaman. Reasonable facilities to examine the articles of agreement before they are signed shall be given to the seaman and also to his adviser.

The seaman shall sign the agreement under conditions which shall be prescribed by national law in order to ensure adequate supervision by the competent public authority.

The foregoing provisions shall be deemed to have been fulfilled if the competent authority certifies that the provisions of the agreement have been laid before it in writing and have been confirmed both by the shipowner or his representative and by the seaman.

National law shall make adequate provision to ensure that the seaman has understood the agreement.

The agreement shall not contain anything which is contrary to the provisions of national law or of this Convention.

National law shall prescribe such further formalities and safeguards in respect of the completion of the agreement as may be considered necessary for the protection of the interests of the shipowner and of the seaman.

Article 4.

Adequate measures shall be taken in accordance with national law for ensuring that the agreement shall not contain any stipulation by which the parties purport to contract in advance to depart from the ordinary rules as to jurisdiction over the agreement.

This Article shall not be interpreted as excluding a reference to arbitration.

Article 5.

Every seaman shall be given a document containing a record of his employment on board the vessel. The form of the document, the particulars to be recorded and the manner in which such particulars are to be entered in it shall be determined by national law.

The document shall not contain any statement as to the quality of the seaman's work or as to his wages.

Article 6.

The agreement may be made either for a definite period or for a voyage or, if permitted by national law, for an indefinite period.

The agreement shall state clearly the respective rights and obligations of each of the parties.

It shall in all cases contain the following particulars:

(1) The Surname and other names of the seaman, the date of his birth or his age, and his birthplace;

(2) The place at which and date on which the agreement was completed;

(3) The name of the vessel or vessels on board which the seaman undertakes to serve;

(4) The number of the crew of the vessel, if required by national law;

(5) The voyage or voyages to be undertaken, if this can be determined at the time of making the agreement;

(6) The capacity in which the seaman is to be employed;

(7) If possible, the place and date at which the seaman is required to report on board for service;

(8) The scale of provisions to be supplied to the seaman, unless some alternative system is provided for by national law;

(9) The amount of his wages;

(10) The termination of the agreement and the conditions thereof, that is to say;

(*a*) if the agreement has been made for a definite period, the date fixed for its expiry;

(*b*) if the agreement has been made for a voyage, the port of destination and the time which has to expire after arrival before the seaman shall be discharged;

(*c*) If the agreement has been made for an indefinite period, the conditions which shall entitle either party to rescind it, as well as the required period of notice for rescission; provided that such period shall not be less for the shipowner than for the seaman;

(11) The annual leave with pay granted to the seaman after one year's service with the same shipping company, if such leave is provided for by national law;

(12) Any other particulars which national law may require.

Article 7.

If national law provides that a list of crew shall be carried on board it shall specify that the agreement shall either be recorded in or annexed to the list of crew.

Article 8.

In order that the seaman may satisfy himself as to the nature and extent of his rights and obligations, national law shall lay down the measures to be taken to enable clear information to be obtained on board as to the conditions of employment, either by posting the conditions of the agreement in a place easily accessible from the crew's quarters, or by some other appropriate means.

Article 9.

An agreement for an indefinite period may be terminated by either party in any port where the vessel loads or unloads, provided that the notice specified in the agreement shall have been given, which shall not be less than twenty-four hours.

Notice shall be given in writing ; national law shall provide such manner of giving notice as is best calculated to preclude any subsequent dispute between the parties on this point.

National law shall determine the exceptional circumstances in which notice even when duly given shall not terminate the agreement.

Article 10.

An agreement entered into for a voyage, for a definite period, or for an indefinite period shall be duly terminated by :

(*a*) mutual consent of the parties ;

(*b*) death of the seaman ;

(*c*) loss or total unseaworthiness of the vessel ;

(*d*) any other cause that may be provided in national law or in this Convention.

Article 11.

National law shall determine the circumstances in which the owner or master may immediately discharge a seaman.

Article 12.

National law shall also determine the circumstances in which the seaman may demand his immediate discharge.

Article 13.

If a seaman shows to the satisfaction of the shipowner or his agent that he can obtain command of a vessel or an appointment as mate or engineer or to any other post of a higher grade than he actually holds, or that any other circumstance has arisen since his engagement which renders it essential to his interests that he should be permitted to take his discharge, he may claim his discharge, provided that without increased expense to the shipowner and to the satisfaction of the shipowner or his agent he furnishes a competent and reliable man in his place.

In such case, the seaman shall be entitled to his wages up to the time of his leaving his employment.

Article 14.

Whatever the reason for the termination or rescission of the agreement, an entry shall be made in the document issued to the seaman in accordance with Article 5 and in the list of crew showing that he has been discharged, and such entry shall, at the request of either party, be endorsed by the competent public authority.

The seaman shall at all times have the right, in addition to the record mentioned in Article 5, to obtain from the master a separate certificate as to the quality of his work or, failing that, a certificate indicating whether he has fully discharged his obligations under the agreement.

Article 15.

National law shall provide the measures to ensure compliance with the terms of the present Convention.

Article 16.

The formal ratifications of this Convention under the conditions set forth in Part XIII of the Treaty of Versailles and in the corresponding Parts of the other Treaties of Peace shall be communicated to the Secretary-General of the League of Nations for registration.

Article 17.

This Convention shall come into force at the date on which the ratifications of two Members of the International Labour Organisation have been registered by the Secretary-General.

It shall be binding only upon those Members whose ratifications have been registered with the Secretariat.

Thereafter, the Convention shall come into force for any Member at the date on which its ratification has been registered with the Secretariat.

Article 18.

As soon as the ratification of two Members of the International Labour Organisation have been registered with the Secretariat, the Secretary-General of the League of Nations shall so notify all the Members of the International Labour Organisation. He shall likewise notify them of the registration of ratifications which may be communicated subsequently by other Members of the Organisation.

Article 19.

Subject to the provisions of Article 17, each Member which ratifies this Convention agrees to bring the provisions of Articles 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 into operation not later than 1st January 1928 and to take such action as may be necessary to make these provisions effective.

Article 20.

Each Member of the International Labour Organisation which ratifies this Convention engages to apply it to its colonies, possessions and protectorates in accordance with the provisions of Article 421 of the Treaty of Versailles and of the corresponding Articles of the other Treaties of Peace.

Article 21.

A Member which has ratified this Convention may denounce it after the expiration of ten years from date on which the Convention first comes into force, by an act communicated to the Secretary-General of the League of Nations for registration. Such denunciation shall not take effect until one year after the date on which it is registered with the Secretariat.

Article 22.

At least once in ten years, the Governing Body of the International Labour Office shall present to the General Conference a report on the working of this Convention and shall consider the desirability of placing on the Agenda of the Conference the question of its revision or modification.

Article 23.

The French and English texts of this Convention shall both be authentic.

The foregoing is the authentic text of the draft Convention duly adopted by the General Conference of the International Labour Organisation during its Ninth Session which was held at Geneva and declared closed the 24th day of June 1926.

IN FAITH WHEREOF we have appended our signatures this twenty-sixth day of July 1926.

The President of the Conference:
BURNHAM.

The Director of the International Labour Office:
ALBERT THOMAS.

No. 188, dated 29th January 1930, from Chamber, to Government of India.

I am directed by my Committee to acknowledge the receipt of your letter No. 465-M1(3) 20, of the 17th December 1929, on the subject of the proposed ratification of the draft Convention concerning Seamen's Articles of Agreement and to inform you that my Committee have no objection except in one or two particulars noted below to Government ratifying the Convention.

Article 1 excludes from the jurisdiction of the Convention Sea-going vessels engaged in the Coasting Trade of the country which ratifies the Convention. The present Indian law does not exclude vessels engaged in the Coasting Trade from its jurisdiction. Moreover there is no definition of the expression " Coasting Trade " in the Indian Law. Indian law only knows the distinction between a foreign going ship and Home trade ship. In any case Government will have to see that foreign-going ships engaged in the coasting trade of India are not excluded from the jurisdiction of the proposed Convention.

As regards Article 5, my Committee do not see any reason why the mention as regards the quality of the Seamen's work should be excluded from the certificates which the Employer is called upon to give to him under that Article. Such a statement is a guide to the future Employer.

As regards Article 13, my Committee feel that the principle underlying it is open to serious objection. If the seamen can leave at any time he likes to better his prospects the agreement between the shipowner and the seaman will only become onesided. Such onesided agreements are not made between the Employers and shore employees as a general rule, and this article, therefore, should not be ratified unless it is provided that the seamen can leave the services of the shipowner with his consent.

APPENDIX XXVIII.

CHAMBER'S REPRESENTATIVE ON THE GOVERNING BODY OF THE I. M. M. T. S. " DUFFERIN."

No. 410-M. 1 (2)-30, dated 27th February 1930, from the Goverment of India, Commerce Department, to Chamber.

I am directed to refer to the correspondence resting with your letter No. 9-1427, dated the 14th July 1927, in which the Indian Merchants' Chamber nominated Mr. M. A. Master as their representative on the Governing Body of the Indian Mercantile Marine Training Ship " Dufferin ". The term of office of the non-official members of that Body was fixed for two years, and Mr. Master's term will expire on the 7th April 1930. I am accordingly to ask the Indian Merchants' Chamber to nominate a representative to

fill the vacancy which will arise when Mr. Master's term expires. I am to add that there is no objection to a sitting member being renominated for a further term, should the Chamber so desire.

The favour of an early reply is requested.

No. 548, dated 13th March 1930, from Chamber to the Government of India

With reference to your letter No. 410-M. 1(2)–30, of the 27th February 1930, my Committee have re-nominated Mr. M. A. Master, as their representative on the Governing Body of the I. M. M. T. S. " Dufferin " for a further term of two years.

APPENDIX XXIX.

ANNUAL CONFERENCE OF INDIAN PORTS ASSOCIATION.

Letter, dated 27th February from Messrs. L. R. Tairsee, Lalji Naranji, Devidas M. Thakersey and Velji Lakhamsey Napoo, representatives of the Chamber on the Board of Trustees of the Bombay Port Trust, to the Chairman of the Trust.

We, the undersigned members of the Board of Trustees of the Bombay Port Trust and representatives of the Indian Merchants' Chamber on the said Board, understand that the annual conference of the Indian Ports Association is to be held in Delhi on or about the 11th of the next month and that subjects likely to be discussed therein will include reservation of Indian coastal shipping and centralisation of major ports. As you, as Chairman of the Bombay Port Trust, will be attending the said meeting and as it is very much desirable that you should not express any opinion on behalf of the Bombay Port Trust except with the mandate of the Board, we request that till you have obtained such a mandate you will take care that you do not commit the Bombay Port Trust to any position on the two questions.

No. 888, dated 1st March 1930, from the Chairman, Bombay Port Trust, to the Four Trustees.

With reference to your letter, dated 27th February 1930, the formal agenda for the forthcoming annual conference of the Indian Ports Association to be held at Delhi this month has not yet been

issued but the two subjects referred to in your letter are among those suggested for discussion by the President of the Association for the current year.

I enclose for your information a copy of Trustees' Resolution No. 315 of 1926 from which you will see that the Association confines itself to preliminary investigation and discussion of the subjects on the agenda of the Annual Conference and its views are in all cases laid before the respective Boards of Trustees for approval before they are forwarded to Government for information. No individual member of the Association is therefore in a position to express at the Conference any opinion on behalf of his Board or to commit his Board to any particular views or line of action.

Excerpt from the Proceedings of a Meeting of the Trustees of the Port of Bombay, held on the 1st June 1926.

7. Submitted note by the Chairman, circulated to the Trustees under Circular No. 86, dated 8th May 1926, as follows :—

The Trustees will recollect that in February last I attended a meeting of Chairman of the major Indian Ports held in Calcutta to consider the advisability of organising a permanent Association of Indian Port Authorities.

Discussions took place on 23rd and 24th February and were attended by the Chairman of the Calcutta, Karachi, Madras and Rangoon Port Administrations and myself ; a note of the subjects discussed and the recommendations recorded is attached for the Trustees' information.

It was unanimously agreed that an Indian Ports Association on the lines of the British Association is desirable and would serve a useful purpose. It was considered that such an Association could usefully discuss and formulate views on questions of mutual interest requiring reference to the Government of India,—for example,—charges on Government vessels, Customs duty on Port equipment, Port Health Administration, legislation or Government rulings affecting Port Authorities generally. There would also, it was felt, be a variety of engineering and traffic questions of general interest to Port Authorities, on which a periodical exchange of views would be beneficial. The proposed Association would confine itself to preliminary investigation and discussion of such

subjects, and its views would in all cases be laid before the respective Boards of Trustees or Commissioners, whose approval would be obtained to any action recommended by the Association.

It was recommended that membership of the proposed Association should be open to all major ports recognised as such by the Government of India, provided they are controlled by independent Boards of Trustees or Commissioners. It was further recommended that the minutes of all meetings held by the Association should be submitted by each Chairman to his Board for approval, after which a copy should be forwarded to the local Government for information.

It is proposed that, if the Association comes into being, the President should be appointed annually from the Chairman of the constituent ports and that ordinarily the meetings of the Association should be held at the President's headquarters. Arrangements for the secretarial work should be made by the President for the time being, any expenditure involved being apportioned among the ports forming the Association.

I submit the general proposal for the approval of the Trustees. I am of opinion that the advantages to be obtained from joint consultation and co-operation on matters of common interest will fully justify the small expenditure likely to be involved.

Submitted minutes by the Trustees.

RESOLUTION No. 315.—Approved.

Letter, dated 7th March 1930, from Messrs. L. R. Tairsee, Velji Lakhamsey Napoo and Devidas M. Thakersey, to the Chairman, Bombay Port Trust.

We are in receipt of your letter of the 1st instant together with the copy of the Resolution passed by the Trustees of the Bombay Port Trust, dated 1st June 1926, approving the formation of the Indian Port Trusts Association, the objects of which Association were defined by the Trustees.

We have carefully read the Resolution and we definitely say that we do not find anything in the said Resolution which authorises you, as Chairman of the Bombay Port Trust, to discuss the two

subjects referred to in our letter. We would, therefore, emphasise that it will be undesirable for the Chairman of Bombay Port Trust to express any opinion on subjects which are not within the scope of the objects for which the said Association was formed.

APPENDIX XXX

APPOINTMENT OF AN INDIAN AS CHAIRMAN OF THE BOMBAY PORT TRUST.

No. 2147, dated 10th July 1930, from Chamber to the Government of Bombay, Political Department.

I am directed by the Committee of the Indian Merchants Chamber to refer to the question of the appointment of the Chairman of the Bombay Port Trust. Government will remember that this Chamber has been of opinion that the time has now arrived when an Indian be appointed to this position. My Committee feel that the Chairman of a body like the Bombay Port Trust should be an Indian and they would very much prefer that he should be one having commercial, financial and business experience. My Committee have no doubt that a man with necessary capacity and qualifications for organisation and administration will be easily available and they trust that considering the importance of this subject, the Government will give this suggestion of the Committee of this Chamber their best consideration and action when the next occasion for such an appointment arises.

No. 6565-E, dated 25th August 1930, from the Government of Bombay to Chamber.

With reference to your letter No. 2147, dated the 10th July 1930, on the subject noted above, I am directed by the Governor-in-Council to say that the suggestion of your Committee will be duly considered at the proper time.

APPENDIX XXXI

THE ESTABLISHMENT OF AN INDIAN SAILORS' HOME IN BOMBAY.

No. 6745-11.E, dated 23rd December 1929, from the Government of Bombay, Political Department, to Chamber.

I am directed by the Governor-in-Council to forward herewith copies of a letter from the Government of India, Department

of Commerce, No. 303-M. 1 (2)-29, dated the 11th December 1929, and its accompaniments, regarding the establishment of a Home for Indian seamen in Bombay, and to request that the Government of Bombay may be favoured, at an early date, with the views of your Chamber on the Report of the Indian Sailors' Home Committee.

No. 303-M. 1 (2)-29, dated 11th December 1929, from the Government of India, Commerce Department, to the Government of Bombay.

I am directed to refer to the correspondence resting with the letter from this Department No. 303-M.I-29, dated the 16th May 1929, on the above subject, and to say that the Indian Sailors' Home Committee has since submitted their Report to the Government of India. A copy of the Report and of the marginally noted papers is enclosed. I am to request that, with the permission of His Excellency the Governor-in-Council, the Government of India may be favoured with the views of the Local Government on the Report. The Government of India would be glad if the Government of Bombay before formulating their views would obtain the views of the following bodies and forward them to the Government of India together with the Local Government observations thereon—

1. Letter from the Chairman, Indian Sailors' Home Committee, Bombay, dated the 26th September 13th October 1929, and plans.

2. Letter from the Secretary, Indian Sailors' Home Committee, Bombay, No. 6745-E, dated the 8th November 1929, and Enclosures.

(1) The Bombay Port Trust.
(2) The Bombay Chamber of Commerce, Bombay.
(3) The Indian Merchants' Chamber, Bombay.
(4) The Governing Body of the Seamen's Institute, Bombay.
(5) The Bombay Seamen's Society, Bombay.

2. I am to request that the plans of the proposed Home may be returned along with the reply of the Local Government.

Letter, dated 13th October 1929, from the Chairman, Indian Sailors' Home Committee to the Government of India, Commerce Department.

With reference to your letter No. 196-S(9) of 12th February 1929, to the address of the Secretary to the Government of Bombay,

Marine Department, I have the honour to submit herewith the Report of the Committee together with plans and estimate.

The Report was not signed by Mr. M. A. Master as he is in England but he attended the meetings up to the 5th March 1929.

Mr. J. E. P. Curry has also not signed the Report but he was given a copy of the draft Report about a week before he left for England and he had made no comments on it. He attended all the Committee meetings and agreed to all the considerations put forward.

As regards the minutes made by Mr. Munawar, the Committee consider that one representative of the Seamen should be sufficient.

REPORT

Indian Sailors' Home

A Committee was appointed by the Government of Bombay under Government Resolution, Marine Department, No. 33-1368 of 2nd December 1927, consisting of the following members to consider the question of the establishment of an Indian Sailors' Home in Bombay :—

CHAIRMAN.

Mr. W. H. Neilson, O.B.E.

MEMBERS.

Sir Leslie Hudson, Kt.

Mr. M. A. Master.

Mr. J. E. Needham, O.B.E.

Mr. J. E. Currey.

Mr. Syed Munawar, B.A., M.L.C., J.P.

Mr. A. H. Dracup.

2. The Committee was requested to draw up and submit to Government a scheme for the proposed home, suggesting at the same time, ways and means for the collection of funds for the same. Mr. A. H. Dracup was appointed as Secretary to the Committee.

3. From 1st April 1929 Government of India assumed charge of the scheme for the foundation of a Sailors' Home for Indian seamen in Bombay and requested that the Committee appointed

by the Government of Bombay in December 1927 should on the completion of their enquiries submit their report to the Government of India.

4. Mr. Needham having resigned the Government of Bombay, under their Resolution, Marine Department, No. 33-II, dated 25th May. 1929, with the permission of the Government of India, appointed Mr. H. P. Mody, M.A., LL.B., as a member of the Indian Sailors' Home Committee in his place.

5. *History of the Scheme.*—A proposal to create a memorial in Bombay suitable to commemorate the services of Indian seamen who lost their lives owing to enemy action during the great war originated in a reference from the Government of India, intimating that the propriety of recognising the services of Indian seamen during the war had been suggested to that Government, that the Government of Bengal were arranging to erect a suitable obelisk on the banks of the Hoogly river and enquiring whether the Government of Bombay were disposed to take similar action. The Government of India added that so far as they were concerned it was intended to associate Indian seamen with the Indian soldiers who lost their lives during the war by recording their services on the All-India Memorial Arch that was to be erected at Delhi.

6. The total number of Indian seamen belonging to the different ports in the Bombay Presidency who were killed by enemy action was as follows :—

Bombay	2,272
Karachi	2
Aden	316

7. In view of the greater number of seamen from this Presidency killed by enemy action *viz.*, 2,590 as against 884 from Bengal it was felt that the Bombay Presidency should signify in no undecided manner its appreciation of the gallantry of its seaboard citizens and various suggestions for the construction of a fitting memorial were considered. A proposal to erect on Trombay Peak an obelisk was examined but on its being represented that the most suitable method of paying tribute to the memory of the Indian seamen would be to erect a Home for Indian Sailors, it was considered that this latter proposal was preferable in every way. A

Committee was therefore appointed in 1922 consisting of the following members :—

The Deputy Secretary, Marine Department ;

" the Shipping Master, Bombay, and representatives from the Indian Seamen's Institute, Indian Seamen's union Chamber of Commerce and Indian Merchants' Chamber ;

to draw up a scheme to give effect to the proposal and to report to Government who were to consider the question of collecting and providing funds. The preliminary Committee referred to above approved of a site offered by the Port Trustees and decided to draw up rough plans and estimates for a building to accommodate 600 men with separate areas, separate entrances being reserved for Hindus and Mahomedans. The building was to be free from architectural embellishment and was to be designed in such a way that the accommodation could on the same site be quadrupled. At about this time indications of financial stringency and depression of trade were becoming pronounced and it was felt that an appeal to the public for funds should be deferred. Rough plans and estimates were however prepared by the Public Works Department at the request of this Committee but, as mentioned above, financial stringency precluded any further progress and this Committee did not meet after November 1924. It may be mentioned here that in 1924 when the Commissioner for War Graves passed through Bombay he mentioned to the late Mr. G. Wittet (Consulting Architect to Government) the possibility of the Imperial War Graves Commission erecting a memorial to Indian Sailors who lost their lives in the War and asked for Mr. Wittet's opinion as to its location. Mr. Wittet referred the matter to the Government of Bombay in the Public Works Department and stated that he had suggested to the Commissioner that the plain wall surfaces inside the Gateway of India on the Apollo Bunder would be an admirable place for Bronze tablets recording events relating to India and the Empire. Government, however, informed Mr. Wittet that as a scheme for an Indian Sailors' Home on a War Memorial to the sailors from Bombay who were killed in the war was under consideration, the proposed tablets in the Gateway of India were unnecessary. Correspondence then ensued as to the size of the panels, etc. Finally in 1927 the Commission

were informed that on reconsideration the Government of Bombay found that the Gateway of India was not a suitable place for putting up the tablets and that as it was hoped that a scheme for an India Sailors' Home in Bombay which would also be in the nature of a war memorial to Indian seamen would materialise, the appropriate place for the tablets would appear to be in this Home.

8. In March 1927 H. E. Sir Leslie Wilson took up the matter of the Indian Sailors' Home again, with the result that the present Committee was appointed and have the honour to forward their report herewith.

9. *Conditions of seamen in Bombay.*—The number of the floating population of seamen in the Port of Bombay is estimated to be approximately 5,000, made up as follows :—

Punjabis	850
Pathans	650
Mahomedans (Ratnagiri) Deck	500
Mahomedans (Malabar) Deck	300
Mahomedans (Gogharis) Deck	150
Mahomedans (Bulsaris) Deck	100
Mahomedans (Damman) Deck	100
Hindus (Suratis) Deck	150
Hindus (Divechas) Deck	150
Arabs, Siddis and other class	50
Goanese saloon	1,000
Mahomedans (Ratnagairi) Engine ..	1,000
Total ..	5,000

10. The seafaring population can therefore be divided into three classes *viz.*, Mahomedans, Hindus and Goanese. The latter are a particularly clannish community and possess their own clubs which are capable of providing adequate accommodation for the members of their community and it is not at all likely that they

will take advantage of any Sailors' Home or Seamen's Institute. The Hindu element are usually employed as deck hands and are recruited from the coastal districts of the Presidency and since their homes are within a reasonable radius of Bombay they are recruited and brought to Bombay as and when required to join their steamers and allowed to leave for their homes immediately on being paid off. The time these men spend in Bombay is a comparatively short one and will hardly warrant the expenditure of any large sum for the provision of a Home or its equivalent, Mahomedans on the other hand provide by far the greatest number of the seafaring community and it is for these men, especially the stoke-hold crews, that accommodation might be provided in the shape of an Institute or a Home. For the Mahomedan Deck crews the need is not so urgent. These latter are of three classes, Govewallahs, Ratnagiris and Malabaris and men from Damaun. The system of recruitment is on the same lines as that for the Hindu Deck crews and is done more particularly during the fine season when there is ample facility to bring the men to Bombay by sea. The Gowallahs have, it is understood, a chawl at Pydhonie where they can stay and each man pays a rent of Re. 1-4-0 per month or a portion of a month. Private rooms are also provided in the chawl where a man can keep his wife at an enhanced rental. The Ratnagiris congregate round Dongri Street, Khaji Street and Choki Molla and have recognised houses to the rental of which each man subscribes Rs. 6 per annum. The Malabaris share with the Ratnagiris. The Damauns when requiring accommodation in Bombay have a room or rooms near Crawford Market. It will be noted that these three classes of men have their distinct and separate localities and they will not share a single home. The Mahomedan Engine Room and Stokehold crews are on a different footing. They form a very large class and coming as they do from distant parts of India, Bombay is their temporary home so that their need for accommodation is greater than that of the other classes of men employed. These men may be divided into three classes or communities, Chachi Pathans, Peshawaris and Punjabis. The system of their recruitment is entirely different from that of the Mahomedan Deck crews. The Stokers, Firemen and Greasers many of whom are recruited from far distances make their temporary homes in Bombay and are called up by the Syrangs as required. There are some 800 to 1,000 men living in Bombay waiting their turn for

employment. They lodge in the Nagpada district where some of the Ghat Syrangs rent houses, rooms or sheds for their accommodation. They may be in Bombay for from 3 to 4 months before they sign on and pay Re. 1 and for that sum will be housed for a day, a week, a month or more, the landlord being prepared to undertake this on the law of average supported by the fact that the man is under his hand when required. These rooms rented by the Syrangs afford very poor accommodation to the men as they can only get sufficient space for their seamen's chests. They usually sleep out in the streets and in wet weather have to crowd together in these rooms which are fully occupied by the sea chests leaving a small passage in the centre for the purpose of getting in and out. The sanitary arrangements such as wash-houses and latrines are extremely poor and there is no arrangement at all for the men to cook their food. Food is procured at outside shops and generally speaking the conditions under which the men live are sordid and easily capable of improvement. The district where they live is also an unsuitable one and no effort of any kind is made to fill up the men's leisure time. The Committee visited these localities and examined the conditions and consider that any alteration which could be undertaken must entirely be for the better. They feel however that it would be most expensive to provide a home or homes for all the seamen living in Bombay who were waiting to be signed on some vessel. They appreciated, however, firstly owing to the limitation of funds and secondly owing to the existing arrangements that it would only be possible to start any scheme in a small way for a particular section of the Indian seamen community and it was decided therefore to concentrate for the present on a scheme which would provide a home or an institute for the class of seamen who had to remain in Bombay for considerable periods. This class as explained above narrowed down to the Mahomedan Engine Room crews.

11. *Present proposal for the Home or Institute.*—The Committee examined various sites north of Nagpada and around the docks. The first site consisted of two plots between Duncan Road and Parel Road offered by the Improvement Trust. The area of these plots was 559 square yards and the cost Rs. 30 per square yard or a total of Rs. 16,770. A plan was got out to suit these plots which consisted of a building with a ground and two

upper floors and the total accommodation, on the dormitory principle, for about 257 men. The cost of the building was estimated to be Rs. 1,91,772 plus Rs. 20,000 for special foundations or a total cost of say Rs. 2,30,000. In spite of the advantage of this site being fairly near the existing accommodation occupied by these seamen it was felt that the area was somewhat circumscribed and that it did not seem advisable to spend money on land when a free site was available elsewhere. Of the other sites examined the one which appeared most suitable to the Committee was that offered by the Port Trust, free of cost, at Masjid Bander Siding Road. This has an area of some 2,000 square yards and is near the docks. The present value of this land fully developed would be about Rs. 100 to Rs. 120 per square yard so the value of the site offered by the Port Trust is about Rs. 2 lakhs. It is not proposed by the Committee to build over the whole area but to leave room for further extensions if found necessary afterwards, and when further funds are available. The area left unbuilt on together with the paved courts between the two ends of the plot can be used as a "Social Welfare" ground for the benefit of the seamen. The plan attached to this report shows the proposed building. It consists of the ground and two upper floors on the dormitory principle and has kitchens, lavatories and bath accommodation on each floor. The building, while possessing no marked architectural features, has been so designed that it will present the appearance of an Institute and a memorial home. This feature has been effected by the porch of the entrance hall and the clock tower. Accommodation has also been provided for married men and care-taker. Under the clock tower, a room has been reserved for praying purposes and the roof itself is a flat terrace which can be used by the men in hot weather. The building will consist of two wings each 127 feet long and 30 feet wide (on the outside) with 5 feet wide verandahs. It will be constructed of cement concrete foundations with walls of precast concrete blockwork and floors of reinforced concrete slabs on R.S. joists and paved with 8" × 8" square Red Marseilles tiles. There will be in all 5 dormitories, two on each of the ground and first floors and one on the second floor. One side of the second floor will be divided into cubicles. The total accommodation will be for 350 to 400 men. A special arrangement has been made for the entrance or Reception Hall *vide* sketch attached to this report which will allow for the

erection of memorial tablets on the walls, the main staircase being situated outside the Hall. The estimated cost is as follows :—

Quantities.	Items.	Rate.			Amount.
		Rs.	a.	p.	Rs.
3,51,700·00 C. Ft.	Cubic. contents of the building	0	13	0	2,85,756
1,360·00 ,,	Cubic contents of the dome over temple room	1	4	0	1,700
28·00 Sqr.	Paving of yard with 2" Shahabadladdy on 4" cement concrete (1 : 3 : 6)	60	0	0	1,680
160·00 C. Ft.	Pore Bunder stone work in gate pillars.. ..	4	0	0	640
1,750·00 S. Ft.	Steel pale fencing 6'-0" high	4	0	0	7,000
2 Nos.	Wrought Iron Gates ..	300	0	0	600
					2,97,376
	5% contingencies ..				14,869
	Total ..				3,12,245

Control of the proposed Home.—As regards the control of the proposed Institution the Committee are strongly of opinion that it is essential that a non-official body should be constituted which, they suggest, might consist of the following members :—

1. A nominee of the Government of India.
2. A representative of the Government of Bombay.
3. A nominee of the Port Trust.
4. A nominee of the Chamber of Commerce.
5. A nominee of the Indian Merchants' Chamber.
6. Shipping Master,

and, if necessary, two or three others representing large subscribers.

The body thus nominated should elect their own President, frame rules and receive all funds now set apart and donations and subscriptions to be collected in future and should manage in all respects the affairs of the institution. This body will also naturally undertake the " Social Welfare " side of the work and will arrange for the leisure hours of those occupying the Institution being properly occupied. If necessary the existing Committee should continue to function, collect the remaining funds and erect the building and then hand over the complete structure to the non-official body.

Finances—About 12 years ago the Committee which was appointed to collect funds for the Prince of Wales Seamen's Institute, received donations amounting to Rs. 40,000 from Indian gentlemen which was earmarked for the Lascars' Home. As the amount obtained was inadequate for the purpose, a separate fund called the Indian Lascar's Fund was contributed by the Governing Body of the Seamen's Institute. This sum has been supplemented from time to time by contributions from various sources—see Appendix I, and the total sum standing to the credit of the Indian Lascar's Fund on 18th July 1929 amounted to Rs. 1,14,432-6-1. In 1927 the Bombay Sailors' Home Society decided to earmark a sum of Rs. 1 lakh from funds obtained by the sale of the Royal Alfred Sailors' Home at Bombay and the Society on the 16th April 1929 intimated that provided practicable scheme is put before the Society, that body would be willing to contribute this amount to erect a home for Indian Seamen. As it will be seen from the estimate given above prepared by the Committee the anticipated cost of construction is Rs. 3·12 lakhs of this there is a sum of Rs. 1·14 lakhs available in cash and a firm promise of Rs. 1 lakh from the Bombay Seamen's Society making a total of Rs. 2·14 lakhs leaving about one lakh balance to be procured elsewhere. The Committee consider that it should be quite feasible to collect this sum both by public subscription and donations and that donations may be invited from the following :—

(1) The Principal shipping firms in Bombay;
(2) Gentlemen and firms interested in the import and export trade ;
(3) Rulers and Chiefs of Indian States whose dominions are situated on the seaboard;

(4) Government of the Punjab since the Home will be open to many of the nationals of that province;

(5) The Government of Bombay who have a primary interest in the provision of such a facility as the Home would afford to its own citizens and whose obligations in respect of the construction of a memorial to the dead are still extant.

As regards recurring expenditure the Committee estimate as follows :—

Maintenance and upkeep	Rs.	3,000
Insurance	,,	700
Municipal General Tax	,,	2,760
Municipal Halalkhore Tax ..	,,	720
Municipal Water Tax	,,	900
Telephone	,,	210
Electric energy	,,	1,000
	Rs	9,290
Staff	,,	4,000
Total ..	Rs	13,290

or say Rs. 15,000 per annum. To meet this the Committee recommend that the Government of India should be invited to continue their contribution of Rs. 10,000 per year from the Sunday and closed holiday penalty fees, which sum they have been subscribing regularly for some years. As regards the balance required to ensure the maintenance of the proposed Home on a suitable basis, the Committee are of opinion that the Port Trustees and the Government of Bombay should be approached and requested to guarantee the amount required in the proportion of 2 : 3 respectively. There will, in addition to this, be certain receipts from the Institution itself but it is not considered that these will reach any

substantial figure. It is not proposed that accommodation should be given free to seamen but at the same time it is considered necessary that the charge should be almost a nominal one and that there will be many cases in which it will not be possible to collect even this nominal change. It is therefore not possible, at this juncture, to estimate even approximately the amount that is likely to be received from this source. The charge for accommodation will have to be fixed by the Committee who will be in responsible charge of the Institution and will be a charge merely for accommodation and not for boarding.

16. In conclusion the Committee wish to emphasise that they consider that there is a real necessity in Bombay for the scheme outlined above. Nothing has been undertaken so far for the welfare of the Indian seamen and this omission should be remedied at the earliest possible moment. It is regretted that so much time has elapsed since the first proposal for this memorial was made but the Committee feel sure that it will be quite possible to collect the remaining necessary funds for construction of the building and that with the help of the Government of India forthcoming in the future, as it has been in the past, it will be quite feasible to ensure the proper running and maintenance of the Institution. The Committee wish to place on record their thanks to Mr. Needham who contributed a valuable note on the subject of Indian Seamen in Bombay, to Mr. Dracup, their able and energetic Secretary and to Mr McClure, Chief Engineer of the Port Trust, who so kindly drew out plans of the proposed building.

(Signed) W. H. NEILSON,

„ L. HUDSON,

„ H. P. MODY,

„ A. DRACUP.

I record my approval to this Report subject to a minute that the Seamen should have at least three Representatives of their on the Committee of Management of the Home.

(Signed) SYED MUNAWAR.

18*th September* 1929.

APPENDIX I.

List of Subscripticns to the Indian Lascars' Fund :—

Name.	Amount.			Total Amount.		
	Rs.	a.	p.	Rs.	a.	p.
Allocated to this Fund by the Committee of the Prince of Wales Seamen's Institute ..	..			40,000	0	0
1923-1924.						
The Commander, S.S. "Chakdara"	42	0	0			
Do. do. ..	40	0	0			
The Shipping Master, Bombay .	150	0	0			
The Commander, S.S. "Vasna" .	40	0	0			
Do. do. ..	65	0	0			
The Commander, S.S. "Karagola"	50	0	0			
The Commander, S.S. "Vasna"	92	0	0			
Do. do. ..	53	0	0			
				532	0	0
1925.						
The Collector of Customs (Sunday Penalty Fees)	10,000	0	0			
Capt. A. B. Beatson, S.S. "Jalivejeera"	15	0	0			
				10,015	0	0
1926.						
The Collector of Customs (Sunday Penalty Fees)	10,000	0	0			
The Shipping Master on behalf of M/s. Turner, Morrison & Co., Ltd., lying to the credit of Nautical School	125	10	0			
Carried over ..	10,125	10	0			

List of Subscriptions to the Indian Lascar's Fund—concld.

Name.	Amount.	Total Amount.
	Rs. a. p.	Rs. a. p.
Brought forward ..	10,125 10 0	
The Shipping Master on behalf of M/s. Shaw Wallace & Co., Ltd., lying to the credit of Nautical School	150 11 0	
		10,276 5 0
1927.		
The Collector of Customs (Sunday Penalty Fees)	..	10,000 0 0
1928.		
The Collector of Customs (Sunday Penalty Fees)	..	5,000 0 0
1929.		
The Collector of Customs, (Sunday Penalty Fees)	..	10,000 0 0
Total Rs. ..	..	85,823 5 0

List of amount of interest credited to the Indian Lascars' Fund from time to time:—

——	Rs. a. p.
Interest on invested amount from 1921 to 1924 ..	11,710 4 6
Interest on invested amount in 1925	2,490 13 9
Interest on invested amount in 1926	2,485 8 6
Interest on invested amount in 1927	4,115 1 7
Do. 1928 and to 14th February 1929	5,190 9 2
Interest on invested amount from 15th February to 18th July 1929	2,616 11 7
Total Rs. ..	28,609 1 1

The Balance at the credit of the Indian Lascars Fund on 18th July 1929 is as follows:—

—	Rs. a. p.
5% Government Bonds 1935 for Rs. 92,600 ..	90,475 2 0
5% Loan 1929-47 for Rs. 23,500	23,714 14 0
Cash with the P. & O. Banking Corporation, Ltd., on current account..	242 6 1
Total Rs. ..	1,14,432 6 1

Letter No. 6745-E, dated 8th November 1929, from the Secretary, Indian Sailors' Home Committee, to the Government of India, Commerce Department.

With reference to the remarks under the heading "Finances" made in the Report of the Indian Sailors' Home Committee forwarded to you with Mr. Neilson's letter, dated the 26th September–13th October 1929, I am directed to enclose for the information of the Government of India copies of the correspondence noted in the margin.

1 Letter to the Honorary Secretary, Bombay Seamen's Society, Bombay, No. 6745-E, dated the 8th October 1929.

2. Letter from the Honorary Secretary, Bombay Seamen's Society, Bombay, F.F./192/1, dated the 4th November 1929.

Letter No. 6745-E, dated 8th October 1929, from the Indian Sailors' Home Committee to the Bombay Seamen's Society, Bombay.

With reference to the correspondence ending with Mr. Morris' letter No. F. 31–1, dated the 16th April 1929, intimating that the Bombay Seamen's Society would be willing to consider favourably the question of contributing a sum of Rupees one lac towards the building of the proposed Indian Sailors' Home provided a practical

scheme to that end is put up before the Society, I am directed by the Indian Sailors' Home Committee to forward herewith a copy of the report together with plan framing a scheme for the proposed establishment of an Indian Sailors' Home in Bombay and to enquire whether the Bombay Seamen's Society will now be pleased to place the amount of Rupees one lac at the disposal of the Committee.

Letter No: F/192/1, dated 4th November 1929, from the Bombay Seamen's Society, to the Indian Sailors' Home Committee.

I have the honour to acknowledge receipt of your letter No. 6745-E of the 8th ultimo under the above heading which, together with the enclosures, was duly circulated to the members of the General Committee of this Society and the matter formed the subject of discussion at the meeting of the General Committee held on the 30th ultimo.

I am instructed to inform you that the Bombay Seamen's Society will continue to hold, on behalf of your Committee, the sum of Rupees one lac which had been earmarked for the scheme for the erection of an Indian Sailors' Home, and that this Society will credit to your scheme interest on this sum as from the 1st October 1929, pending the acceptance by Government of the report made by your Committee and the work of erection being taken in hand.

I shall be glad to receive your acknowledgment of this letter.

Letter No. 183, dated 29th January 1930, from Chamber to the Government of Bombay.

In continuation of my Letter No. 2903 of the 28th ultimo, on the above subject, I am directed by my Committee to inform you that they have now considered your letter of the 23rd December last, together with the papers accompanying therewith and have to offer the following observations :—

My Committee fully endorse the definite opinion of the Indian Sailors' Home Committee that—

> "Nothing has been undertaken so far for the welfare of the Indian seamen and this omission should be remedied at the earliest possible moment,"

and consequently readily welcome the proposal for the establishment of an Indian Sailors' Home more or less on the lines outlined

in that Committee's report. My Committee feel that nothing could be a more fitting tribute to those Indian seamen who fell during the last great war than the erecting of a Home to commemorate their memory where their brothren can live under more healthy and elevating conditions.

My Committee find from the papers accompanying your letter that the proposed Home will not be open to all classes of Indian seamen but will be restricted in the first instance to the Mahomedan Engine room crew only. It is suggested in the report that to provide a Home for all classes of seamen will be very expensive. My Committee, however, have very serious objection on the matter of principle to erect a memorial out of funds contributed by the general public and the Government to commemorate the memory of those Indian seamen of all classes who fell during the great war and to restrict its benefit to one class of seamen only. Mr. Master who served in the Indian Sailors' Home Committee as representative of this Chamber objected to the restricting of such a memorial for the benefit of one section of seamen only. As Mr. Master was not given an opportunity of expressing his views on the final report of that Committee as he was in Europe in connection with the International Labour Conference, and as the observation in the 2nd para. of the letter which the Chairman of the Committee has addressed to the Secretary to the Government of India, dated the 13th October, is likely to convey a wrong impression that our representative was in agreement with this fundamental object of the proposed memorial, we have thought it necessary to make the point quite clear to you at the first opportunity.

The report does not make it clear whether the proposed Home is intended only for those Mahomedan crews who come to the City to seek employment or will extend its benefit to those Indian seamen who visit this port and desire to find suitable place for recreation and social amenities. My Committee are of the opinion that the proposed Sailors' Home should be cosmopolitan in the sense that it shall be open to all classes of Indian seamen whether coming to this city for the purpose of seeking employment or visiting it as seamen on board the ship.

As regards the financing of the proposed scheme, my Committee observe that the amount contributed by the Indians for the specific purpose of a Lascars Home together with the amount

received under the Sunday Penalty Fees fund during the last six or seven years together with the interest which accrued on these amounts now stands at the figure of Rs. 1,14,432. My Committee also note that the Bombay Seamen Society have intimated to the Secretary of the Indian Sailors' Home Committee that they would consider favourably the question of contribution of a sum of one lac of rupees towards the building of the proposed Indian Sailors' Home provided a practical scheme to that end is put up before the Society. In this connection, my Committee have to point out to you that the Bombay Sailors' Home which recently received the sum of Rs. 4,44,375 from the Government of Bombay who acquired their buildings was a Home which was open to all classes of seamen, Indian as well as non-Indian. It is therefore, surprising that the entire sum should have gone to swell the funds of the Prince of Wales' Seamen's Institute, which does nothing for the welfare of Indian seamen. As a matter of equity and justice and bearing in mind the original intention of Indian donor at least half the amount of this sum of Rs. 4,44,375 should have been earmarked for the benefit of the proposed Indian Sailors' Home. My Committee hope that the Government of India would be pleased to see that this elementary justice is done to the Indian seamen for whose welfare, as the Committee rightly observe, no steps have been taken up to now.

At the suggestion of Mr. Master at the meeting of the Committee held on the 5th March 1929 it was definitely agreed that the Chairman of the Committee should write to the Government of India and request them to contribute a substantial sum out of Sunday Penalty Fees fund towards the building as well as the Endowment of the proposed Sailors' Home. Mr. Master sent a reminder to the Committee in his letter addressed to the Secretary, dated the 21st May from London. Subsequently the Chairman of our Chamber wrote to Mr. Neilson on the subject in his letter dated the 5th July 1929. Mr. Neilson in his letter to the President of this Chamber dated the 10th July remarked :—

> "We have Mr. Master's suggestion before us and it will be incorporated in the final report which is now under preparation."

My Committee regret to observe that neither has the suggestion of Mr. Master, referred to above, been incorporated in the report nor has Mr. Master been given an opportunity to express his views

on the report before it was finally forwarded to the Government of India. My Committee further desires to point out that the Government of India would not have been averse towards the contribution of such a substantial sum towards the building and the Endowment fund of the proposed Indian Sailors' Home as they find that only last year the Government of India contributed a handsome sum of Rs. 1,59,000 towards the building fund of the Marine Mayo Institute at Rangoon. In view of this policy of the Government of India, my Committee are strongly of opinion that the Government of India should be requested to contribute a substantial sum out of the Sunday Penalty Fees fund towards the building of the proposed Sailors' Home. As regards the Endowment fund, my Committee observe from the report that the Government are agreeable to contribute a sum of Rs. 10,000 every year towards the upkeep of the proposed Home. This is not any departure from the recognised policy of the Government as they have been making substantial contributions every year towards the upkeep of institutes which promote contributions every year towards the upkeep of institutes which promote the welfare of the seamen in general.

As regards the proposed Committee for the control of the proposed Home, my Committee venture to suggest that it is but proper that the Committee should have the services of a nominee of the Indian shipping interests. My Committee further trust that the proposed Committee should also have the benefit of advice of those Institutions which represent the Indian seamen in this city. With the exception of the points mentioned above, my Committee are in general agreement with the other points raised in the report sent along with your letter.

Letter No. 6745-11-E, dated 31st May 1930, from the Government of Bombay to Chamber.

With reference to your post card, dated the 19th May 1930, on the subject mentioned above, I am directed by the Governor in Council to say that a copy of your letter No. 183, dated the 29th January 1930, has been forwarded to the Government of India who asked for the views *inter alia* of your Chamber on the Report of the Indian Sailors' Home Committee.

APPENDIX XXXII.

C. ROAD TRANSPORT.

STANDARDISATION OF MOTOR VEHICLE RULES.

Letter No. 240, dated 3rd February 1930, from Chamber to the Government of Bombay, Home Department.

The attention of the Committee of this Chamber has been drawn to a letter published in the *Times of India* in its issue of the 23rd October 1929 under the heading: "Licensing and taxing of Motors: Need for uniformity." It will be seen from this letter that there is a wide diversity in rules and regulations in force not only in different provinces but even in the same provinces. Before my Committee can move with regard to the necessity for standardisation of all rules and regulations throughout the country, it is essential that there should be such a standardisation to begin with in the Bombay Presidency. My Committee are informed that there is no uniformity to be found with regard to rules and regulations for the licensing and taxing of motor cars in the different districts in the Presidency and in Indian States situate either within the Presidency and or just on its fringe. My Committee beg to urge, therefore, that the Government of Bombay will be pleased to take steps to have a standard set of rules and regulations for the licensing and taxing of motors. The motor transport has been very much developed recently and will play a still greater and greater part not only with regard to the transport problem but with regard to development of trade and industries. It is essential, therefore, that all such hindrances as may be coming in the way of the development of this traffic should be removed.

Letter No. 6816.2-E, dated 20th February 1930, from the Government of Bombay, to Chamber.

I am directed to refer to your letter No. 240 of February 3rd about the standardization of Motor Rules. I am to observe that some differences between the Rules in force in different parts of the country would seem inevitable, since local conditions differ widely and the rules relating for example to such matters as speed limits and the maximum weight of motor vehicles must be adopted to the state of the roads in each locality. I am therefore to request that you will be more explicit and will quote some instances of

discordant Rules which, in the opinion of the Chamber, should be made uniform.

APPENDIX XXXIII.

AMENDMENTS TO THE BOMBAY MOTOR VEHICLE RULES.

Letter No. 238, dated 3rd February 1930, from Chamber to the Government of Bombay, Home Department.

The attention of my Committee has been drawn to the Resolution No. 9225 of the Government of Bombay in the Home Department, dated 17th December 1929 on the above subject, whereby the Government of Bombay desire to amend the Motor Vehicles Rules with a view to increase the various fees levied under these rules.

My Committee understand that the additional revenue which would accrue to Government, if these proposals were given effect to, is not to be set apart for the improvement of roads but will be utilised to increase the general revenues of the Government of Bombay to improve their financial position.

As Government must be aware, no opposition was shown to the additional cess of two annas on petrol as the additional revenue realised thereby was to be set apart for the improvement of roads. The motor-using public is already heavily taxed through the import duties on the vehicles, tyres, and tubes, accessories and by the tax on petrol. It has been estimated that the total average annual taxation per vehicle in India is nearly 55 per cent. higher than that in England, while the condition of roads in India is far inferior to that in England. Moreover, the motor car has long ceased to be a luxury and has, instead, become an article of necessity not only in the city of Bombay but also in the outlying districts of the Presidency as well.

To take the case of the Bombay City alone, the existing Government and Municipal taxation on the users of motor vehicles is already too high. A detailed elaboration of the acute depression through which the industries and commerce of this City are passing would be out of place here, but it is, at the same time, necessary to point out that any increase in taxation in any form is quite undesirable. Motor transport has been and is playing a very important part in the commercial and industrial life of this City and its importance is bound to increase in near future. Any

additional taxation on these who take advantage of this method of transport would be quite an unjustifiable addition to the heavy taxation—both central and provincial—which this City has been patiently bearing.

Coming to the question of motor transport in the districts of this Presidency, my Committee would like to point out the increasing popularity of the motor vehicles amongst the rural population of the Presidency. The increased motor transport has not only been a boon to the agriculturist—as it facilitates an easy and speedy travel to and from the market town—but it has also, to a great extent, filled the want of feeder railways, by connecting the agricultural districts with the areas where markets are situated. This being the case, the importance of motor transport from the point of view of the progress of agriculture could not be treated lightly. Any increase in the taxation of these vehicles will, therefore, as a deterrent against the progress of agriculture, and is, therefore, not desirable.

On all these grounds, my Committee submit their emphatic protest against the proposal to increase the fees levied under the Motor Vehicles Rules, and hope that the Government of Bombay will be pleased to see their way to withdraw the proposed amendments to these rules.

Press Note, P. 443, dated 21st November 1930, issued by the Government of Bombay.

The Government of Bombay propose to make the following addition to the Bombay Motor Vehicles Rules, 1915 :—

> "7-C. When a motor vehicle is registered for the first time, the registration fee leviable shall consist of an initial fee equal to one-fifth of the full registration fee *plus* as much again per quarter for the number of quarters intervening between the date of registration and 31st August. In calculating the number of quarters that are still to run, a period of less than a month shall not be taken into account and a fraction of a quarter consisting of not less than one month shall be considered as a complete quarter.
>
> Thus, if a motor car weighing two tons or under, unladen, is registered for the first time in the months of September or October, the fee payable shall consist of

an initial fee of Rs. 8 *plus* Rs. 32 for four quarters, *i.e.*, full registration fee of Rs. 40; if it is so registered in the months of November, December or January the fee payable shall consist of an initial fee of Rs. 8 *plus* Rs. 24 for three quarters, *i.e.*, Rs. 32, and so on.

When a car is registered in August, the initial fee of Rs. 8 only shall be charged for the period intervening between the date of registration and the 31st August following. A renewal fee of Rs. 32 shall also be charged at the same time, to cover renewal of registration up to the 31st August of the next year and both certificates (*i.e.*, the certificates of registration and renewal of registration) shall be issued simultaneously.

The fee leviable on motor cycles and heavy motor vehicles shall be similarly calculated."

The draft will be taken into consideration on the expiry of two months from the date of its publication in the *Bombay Government Gazette*. Any objections or suggestions in regard to the proposed rule should be sent to the Secretary to Government, Home Department, Bombay, before the expiry of that period.

Letter No. 3895, dated 10th December 1930, from Chamber to the Government of Bombay.

My Committee have considered the proposed amendment to Rule 7 of the Bombay Motor Vehicles Rules 1915, and I am directed to inform you that they have no objection to the proposed amendment.

APPENDIX XXXIV.

CHAMBER'S REPRESENTATIVE ON THE ROAD BOARD.

Letter No. 3849-W, dated 6th March 1930, from the Government of Bombay, P. W. D. to Chamber.

I am directed by the Government of Bombay (Transferred Departments) to state that the period of two years for which Mr. Walchand Hirachand, the representative of your Chamber was appointed on the Road Board expires on the 22nd March 1930. Government desire that the membership of your representative

should continue for a further period of two years. I am therefore to enquire whether your Chamber wish Mr. Walchand to continue on the Road Board or they propose to appoint some other representative. In the latter case the name and address of the representative may kindly be communicated to Government.

Letter No. 644, dated 20th March 1930, from Chamber to the Government of Bombay.

With reference to your letter No. 3849-W, dated the 6th March 1930, my Committee have re-nominated Mr. Walchand Hirachand, C.I.E., as their representative on the Road Board for a further term of two years.

APPENDIX XXXV.

D. COMMUNICATIONS.

TRUNK TELEPHONE FACILITIES BETWEEN LARGE COMMERCIAL CENTRES.

Letter, dated 12th June 1930, from the Director-General of Posts and Telegraphs to Chamber.

The Director-General has under consideration the question of development of trunk telephone service between large commercial centres in India. It would greatly help the Department in formulating its proposals if you would kindly favour the Director-General with a list of the commercial centers with which, in the opinion of your Chambers trunk facilities are required from Bombay. The list may kindly be arranged in the order of urgency.

2. I am also to request you kindly to favour the Director-General with any suggestions which your Chamber, may have to make on the general improvement of the existing trunk telephone service.

Letter No. 3209, dated 24th September 1929, from Chamber to the Director General.

With reference to your letter dated the 12th June 1930, No. *nil*, my Committee suggest that Hyderabad (Deccan) should be connected by telephone with Bombay. Hyderabad is the centre of a large and important cotton district with several towns of cotton importance round about it. If there is a direct connection by telephone between Bombay and Hyderabad (Deccan) as suggested, it will provide the much-needed facilities for the commercial public and the line is likely to prove remunerative.

2. My Committee also beg to suggest that a system of wireless telephones should be introduced now as far as possible in this country.

3. With regard to the person-to-person calls, my Committee are of opinion that if no such connection is obtained there should be no charge levied on the person desiring the connection. They understand that 25 per cent. more is levied at present on a telephone call to a particular person and their suggestion is that such additional charge shall be levied only if the connection with that particular person is obtained.

Letter No. 154—TPA/30, dated 13th October 1930, from the Controller of Telegraph Traffic to Chamber.

I am directed to acknowledge with thanks the receipt of your letter No. 3209, dated the 24th September 1930, and to inform you that the suggestion made therein will receive the careful consideration of the Director-General.

APPENDIX XXXVI.

WIRELESS TELEPHONE SERVICE BETWEEN INDIA AND UNITED KINGDOM.

Letter No. W-1919, dated 26th June 1930, from the Director-General of Posts and Telegraphs to Chamber.

In connexion with certain proposals which have been made to the Government of India regarding the establishment of a wireless telephone service between Bombay and the United Kingdom, I am directed to say that I should be glad to have an expression of the opinion of your Committee as to the need for and utility of such a service if it were established. It may be assumed for the purpose of this reference that for some little time to come the benefits of the service would be confined to Bombay—where subscribers to the local telephone system would be able to converse *via* the proposed wireless service and the British telephone system with telephone users in the United Kingdom and Northern Ireland; and to Calcutta where local subscribers would be given the same facilities (the assumption being made that the existing telphone trunk line between Calcutta and Bombay would have to be brought up to the necessary stage of efficiency). It has been tentatively suggested that a uniform charge to the public, both in Bombay and Calcutta should be made at the rate of £2 for each minute's conversation subject to a minimum of three minutes.

The question I am to put to you is whether it is probable that any considerable use would be made of the system at such a rate of charge. The matter is naturally very speculative but any observations your Committee may be able to make on the subject would be of value.

Letter No. 2154, dated 10th July 1930, from Chamber to the Director-General.

I am directed to acknowledge receipt of your letter No. W-1919, of the 26th ultimo in connection with the establishment of a wireless telephone service between Bombay and the United Kingdom.

Expressing their opinion in this matter, my Committee would like to know from the Government whether they intend to subsidize this service. They would also like to be supplied with information as to :—1. An estimate of the total cost of the scheme 2. The capital cost of the scheme and 3. The annual recurring charges for maintaining the service.

I shall feel obliged if you will kindly let me have the information at your early convenience.

Letter No. W-1999/Col. 11, dated 23rd July 1930, from the Director-General to Chamber.

With reference to your letter No. 2154, dated the 10th/11th July 1930, I have the honour to say that Government do not intend to subsidise the proposed wireless telephone service between India and England.

2 You ask for information regarding the cost of the scheme. As this does not appear to have any bearing on the question asked in my letter No. W-1919, dated the 26th June 1930 *viz.* whether it is probable that any considerable use would be made of the system at the rate of £2 a minute, it does not seem necessary for me to furnish the information which would entail a reference to the proposed Operating Company who might not be prepared to furnish it without sufficient reason being given for asking for it.

No. 2292, dated 8th August 1930, from Chamber to the Director-General.

With reference to previous correspondence ending with your letter No. W-1999–Col. II, of the 23rd July 1930, on the subject of a wireless telephone service between India and London, I am directed by my Committee to enquire of you the terms under

which a monopoly for such a service is to be granted to the operating company. I am also to enquire what other concessions, if any, are going to be granted to the company.

You will please let my Committee have the above information at your early convenience.

Letter No. W-1999, dated 14th August 1930, from the Director-General to Chamber.

In your letter No. 2292, dated the 8th August 1930 you ask for information regarding the terms under which a monopoly for a wireless telephone service between India and London is to be granted to the operating company, and you enquire what other concessions, if any, are to be granted to the company. In reply, I have the honour to inform you that consideration of the proposal to establish the wireless telephone service has only reached the stage at which the question of the need for and probable utility of such a service is being investigated. The matters about which you enquire will be the subject of negotiation between Government and the company in due course if the proposal is proceeded with.

APPENDIX XXXVII.

NEW CONTRACT FORM OF THE BOMBAY TELEPHONE COMPANY.

Letter No. 3205, dated 24th September 1930, from Chamber, to the Bombay Telephone Co.

With reference to your letter No. 13-25212 of the 7th July 1930, my Committee have now gone through the new contract form sent for their signature, and on comparison with the old form they find that there is a material alteration in clause 3. The Company seeks to reserve to itself the power " to disconnect a subscriber, if any sum payable by the subscriber under the contract or *in respect of any other account* matter or thing remains unpaid for 48 hours." My Committee are inclined to think that the powers provided for under the clause are too wide and arbitrary. They see no justification why the Company should be empowered to disconnect a subscriber for any of his liabilities other than in connection with the telephone service. They are, therefore of opinion that that portion of the clause vesting in the Company the power to disconnect for liabilities " in respect of any other account " should be deleted.

Again, the new contract form requires a stamp duty of Rs. 2, which the Company are collecting from the subscribers. My Committee feel that the Company are not justified in asking the subscriber to bear the full stamp duty. The Company cannot be unaware of the fact that the general practice in such matters is that the contracting parties share equally such stamp duty and my Committee are of opinion that the Company should adhere to this general procedure. In this connection when your Mr. Parker met a Sub-Committee of this Chamber on the 14th November 1929 this suggestion was made to him and I am to enquire whether the point was considered by your Board, and if so, their decision thereon.

I am returning herewith the old specimen contract form sent with your letter of the 11th August.

Letter, dated 12th November 1930, from the Company, to Chamber.

With reference to your letter No. 3205, dated the 24th September last, my Board have now considered the matter and have decided to alter Conditions 3 and 6 of the existing form of Contract so that the Company's right to disconnect a line will only arise in connection with sums due in respect of the telephone service.

I am, however, desired to inform you that formal notice has always been given by registered post before a telephone is disconnected and, wherever possible, a final communication has been made to the subscriber after the expiration of that formal notice, by telephone. The power was merely reserved to the Company in the ordinary way in drafting the Contract with a view to the Company's proper protection, and has not been made use of to any large extent or in an arbitrary manner. As, however, the existing clauses are considered objectionable, my Board have decided to make the alteration to which I refer above.

As regards the stamp duty payable on the contracts, my Board are not prepared to alter the practice.

No. 3785, dated 28th November 1930, from Chamber to the Telephone Company.

Your letter of the 12th instant, No. G., was placed before my Committee at their last meeting. They have noted the decision of your Board to alter Conditions 3 and 6 of the existing form of

Contract of your Company as stated in your letter, and I am directed to express the thanks of my Committee to your Board for the same.

APPENDIX XXXVIII.

SCALE OF CHARGES OF THE BOMBAY TELEPHONE COMPANY.

No. 334, dated 18th February 1930, from Chamber to Bombay Telephone Company.

The attention of my Committee has been drawn to the high scale of charges of the Bombay Telephone Company for extensions, removals, etc. That the charges are heavy can be seen from the striking disparity between them and the charges made for similar services by the London Telephone Service. A comparative statement is attached hereto.

Another striking instance of the arbitrary nature of the charges fixed is furnished by the fact that your Company charge Rs. 11 extra if a three-yard chord is required by a subscriber ; Rs. 21 extra if a five yard chord is required and Rs. 36 extra if a eight yard chord is required, in place of the two-yard one usually supplied (free) with the instrument. Surely the additional lengths do not cost these amounts or, for the matter of that, the all-in cost of the lengths even half these amounts.

My Committee are, therefore, inclined to think that such charges as these have hindered the wider use of the facilities and have to a certain extent tended to make the telephone service unpopular. The telephone has naturally come to be looked upon as a luxury and is availed of only by those to whom it is indispensable.

I am, therefore, directed to invite the attention of your Board to the heavy scale of your charges and to impress upon them the desirability, both in the interest of a wider use of the service and in the interest of subscribers, of revising the rates at an early date so as to make them equitable. The public, my Committee submit, are entitled to the service at a reasonable cost, the more so in the case of a public utility company working under an exclusive license.

Statement showing comparative charges for removals, extensions, etc. for telephones in Bombay and in London.

	In Bombay.	*In London.*
I. *Rental of Extensions :—*		£ *s.* *d.* £ *s.* *d.*
(1) Internal	Rs. 70 per annum ..	0 6 0 to 0 9 0 per quarter.
(2) External	Furnished on application.	0 14 0 upto 220 yards 0 19 0 „ 440 „ 1 4 0 „ 660 „ 1 9 0 „ 880 „ 0 7 0 per each extra furlong or part thereof.
II. *Charges for Removals :—*		Direct exchange line. Extension.
(1) In the same building, or (in London in a building wholly occupied by the subscriber.	Rs. 15 to 30 ..	£0 12 6 £0 7 6
(2) To another building, or (in London) to another self-contained premises in the same building.	Rs. 30 to 50 (according to distance).	£1 5 0 £1 5 0
(3) Removal from one exchange area to another.	Rs. 5 extra ..	No extra charge.

Letter, dated 5th March, from the Telephone Company to Chamber.

I have to acknowledge receipt of your letter No. 334, dated the 18th ultimo.

Charges for Extensions.—I would draw your attention to the fact that the rental in London where the Message Rate System of Charges is in force cannot fairly be compared with the rental where a Flat Rate System of Charges is in force. My Board regret that they do not see their way to reduce the scale of charges for extensions.

Charges for Removals.—The tariff of removal charges has been under consideration for some time, and my Board anticipate that it will shortly be possible to make certain reductions in this. I desire to draw your attention to the fact that the very much higher proportion of block-wired buildings in a city like London where the telephone density is so much higher results in removals being less costly and the scale of charges in the two places cannot therefore properly be compared.

Charges for long cords :—The Company draws the attention of subscribers from time to time to the fact that long cords are conducive to decreased efficiency. You will appreciate that decreased efficiency is followed by increased cost of maintenance to the Company. A scale of charges for long cords is accordingly fixed with two main objects, (1) to discourage subscribers from adopting a form of apparatus which is not conducive to efficiency, and (2) to compensate the Company for the extra cost of maintenance. It may interest you to know that the life of a long cord is less in Bombay than in London owing to climatic conditions and the higher voltage used on the automatic system, induced by dialling through the cord instead of merely speaking.

In the circumstances my Board do not see their way to reduce the scale of charges for long cords.

No. 741, dated 2nd April, from Chamber to Telephone Company.

I am directed by my Committee to acknowledge the receipt of your letter, dated the 5th March in reply to our letter No. 334, of the 18th February.

I. Charges for Extensions.

1. With regard to your charges for Extensions, my Committee fail to see how the Message Rate System can have any bearing on the question that we had raised. The number of messages going through an Exchange Line does not necessarily depend on the number of extensions in an installation. Whatever the number of extensions the traffic going through an Exchange Line cannot be greater than the line can carry. And as you are perhaps aware one of the conditions of supply in the London Telephone Service, to which we had referred, is that " Subscribers must rent a sufficient number of lines to carry their traffic."

2. Even assuming that the Message Rate System *has* a bearing in the determination of the rental of extensions, my Committee contend that, at any rate, the ratio between the rental of the Exchange Line and the rental of the Extension should be the same. The London Telephone Service charge for an Exchange line for domestic use £1-12-6 a quarter. Their charge for an internal extension " according to facilities provided " is from 6*s*. to 9*s*. a quarter. Even assuming that the average cost to a subscriber is 7*s*. 6*d*. per quarter per extension, the ratio between the rental of the Exchange line and the Extension comes to 13 : 3. Applying that ratio to your charge of Rs. 210 per annum for the rental of an Exchange line for residential premises, the rental of an Extension should be not more than Rs. 48-8-0, or, say Rs. 50 per annum. Your charge is Rs. 70 per annum, or 40 per cent. more.

3. The London charge for an Exchange line for business purposes is £2 per quarter. The rental of an extension is the same as in the case of Domestic lines *viz.*: 6*s*. to 9*s*. per quarter " according to facilities provided." Again, we shall grant an average of 7*s*. 6*d*. per extension. The ratio between the business Exchange line and the extension comes to 16 : 3. Applying that ratio to your charge of Rs. 300 per annum for the rental of an Exchange Line for business premises, the rental of an extension should not be more than Rs. 56 per annum. Your charge is Rs. 70 per annum, or 25 per cent. more.

4. There can be no question of shipment and other costs on the import of the apparatus nor depreciation on the same, as a reason for this excess under both the above bases, for costs such as these must undoubtedly have been already taken into account in determining the rental of the Exchange Line. I am sure that you will not contend that your charge for an extension is relatively higher because your charges for an Exchange line—" the main telephone "—are on the low side. That could not be, because the majority of your subscribers, except in the business area, and many even in the business area, are users only of " the main telephone."

5. While on this subject, we may be permitted to point out that while the London Telephone Service charge 23 per cent. more for business Exchange lines than they do for Domestic Exchange lines you charge 43 per cent. more. My Committee consider that your charges for Residential telephones are high enough for many people to deny themselves the convenience, but your charges for business telephones are disproportionately higher still. We shall assume that your rental for the "Main Telephone" is a fair rental. We must urge, however, that the ratio between that rental and the rental for extension should be equally fair, and no more than the ratio between the two adjuncts in the London Telephone Service, a service managed by the State, obviously at more reasonable rates. My Committee trust that you will not plead again that the density of the use of the telephone in London renders that service cheaper. We shall grant that at once. We shall concede that the advantage of cheaper labour is off-set by the cost of importing the apparatus and the material, and that the relatively poorer density in Bombay makes the local service dearer than in London. But that should not affect the *ratio* between the two adjuncts to which we have referred.

II. Charges for Removals.

My Committee are glad to note that your Board anticipate that it will shortly be possible to make certain reductions in your charges for removals to which we had referred, and thank your Board for the contemplated reduction.

III. Charges for Longer Cords.

1. With regard to your charges for the use of cords of longer length than the standard length that is supplied free, as far as my Committee understand your contentions; they are mainly two :—

(*a*) That longer cords are conducive to decreased efficiency and therefore involve increased cost of maintenance.

(*b*) That their life is not so long as that of shorter cords owing to (i) climatic conditions in India and (ii) owing to " the higher Voltage used in the automatic system, induced by dialling through the cord, instead of merely speaking."

2. With regard to the first of these points my Committee understand that the decreased efficiency of relatively longer cords arises only because of the greater wear and tear involved in the handling of longer cords, and that faults develop on short circuits taking place, which the Company has naturally to attend to. Similar faults develop also in the shorter standard lengths, perhaps to a lesser extent and after longer use. In any case, since the subscriber pays extra, apparently for the whole of the longer length the cost of replacement is always chargeable to him, and if the fault be repairable, a reasonable charge could be made to him for the repair. The high initial charge at present made is, we submit, totally disproportionate to the cost of the extra length, taking also into account the increased maintenance cost to which you have referred. The use of longer cords is, my Committee believe, exceptional; but even granting that there is need of discouragement, surely there is room to make the discouragement less unreasonably penal. Indeed, there appears to us no reason why a subscriber wanting a longer length for a special convenience of his own and willing to pay for it, should not be charged a more reasonable rate for the same, having due regard to the cost of the extra length itself.

3. With regard to the second point, we shall only say that climatic conditions affect alike the longer and the shorter lengths. With regard to the alleged effect of the higher Voltage that you refer to, my Committee understand that the insulation of the cord

should be sufficient for any voltage it may have to withstand in the course of normal operation, and that the higher voltage used should not affect the cord if the cord is of sufficiently good quality, which we presume the cord you supply is. In any case, the higher voltage should affect the longer and shorter lengths alike, and we cannot, therefore, see the relevancy of this point that you have raised. We shall only add that granting that "the life of a long cord is less in Bombay than in London owing to climatic conditions", since the subscriber pays extra for this special need of his, your Company do not suffer, on the contrary benefit, by his use of the longer cord, which, as implied in your letter, would be renewable at shorter periods of time than your shorter standard lengths. Viewed in this light there can be no justification at all for the very high charges for the longer lengths to which we have referred.

My Committee trust that your Board will reconsider their decision. The question that we have raised about the charges for longer lengths is after all a small one and affects perhaps but a few subscribers. But we must especially press for reconsideration of your charges for extensions in which my Committee believe a substantial reduction is called for, and which, if made, will assuredly tend to increase the use of this adjunct. We would invite your Board also to consider whether it should not be possible to lessen the difference between the charge for the business and the residential telephone to a point making the former 25 per cent. above the cost of the latter as against 43 per cent. at present. And if at the same time your Board could also see their way to examine the charge for the Residential telephone, we feel that a reduction would encourage a more extensive use of your service. We need hardly remind you again that from a Public Utility Company such as you are, working under an exclusive license from the Government, the public must needs expect service at rates which are mutually reasonable and equitable. If, however, your Company, on their part, do not see their way to meet the public in that manner, my Committee are afraid that the feeling already extant will grow, that, after all, the management of a public service by private enterprise leaves much to be desired compared with what should be possible if the service was managed by the State with its accompanying and concomitant measure of Popular Control.

No. G, dated 16th April 1930, from the Telephone Company to Chamber.

I have to acknowledge receipt of your letter No. 741, dated the 2nd instant.

Charges for Extensions:—While the number of messages going through an Exchange Line does not necessarily depend upon the number of extensions, normally the number of messages will increase with the number of extensions. As you say, a condition of the Telephone Service in London is that subscribers must rent a sufficient number of lines to carry their traffic. This condition does not apply in Bombay, and were it to be applied would naturally tend to a reduction in a Flat Rate basis of charges.

The charge in London for an Exchange Line for domestic use is not £1-12-6 a quarter as stated by you but £1-12-6 per quarter *plus* the ordinary charge for calls. To make any comparison it would therefore be necessary to ascertain the average charge including the charge made for calls, and so far as I am aware, this information is not available.

Similarly, the London charge for an Exchange Line for business purposes is not £2 per quarter as stated by you but £2 per quarter *plus* the ordinary charge for calls.

Depreciation of and the cost of the extension itself are not taken into account in determining the rental of an Exchange Line and can only be taken into account when considering the rental to be charged for the extension itself. No comparison between the charges for business exchange lines and domestic exchange lines in London and Bombay can be made in the absence of knowledge as to the calls paid for on the average of each of such lines in London respectively.

Charges for Removals:—My Board have now approved of the introduction of the following scale of charges for removals with effect from the 1st October next:—

Removals in the same room	Rs. 10
Removals in the same building not involving outside work	„ 15
All other removals	„ 30

Charges for Longer Cords:—If the fault on a cord is repairable, the subscriber is not charged at all. The subscriber is only charged where a long cord has to be replaced. Your suggestion that climatic conditions effect longer and shorter lengths of cords equally is not correct. Longer cords are much more apt to be damaged and affected by climatic conditions. The insulation of the cord used is, as you suggest, sufficient for any voltage which it has to stand in the normal course of operation, but nevertheless the higher voltage in Bombay does necessarily lead to a shorter life. The Company has no desire to benefit from payments made by subscribers in respect of long cords and only desires that as far as possible the use of them should be avoided in the interests both of the subscriber and the Company, the main object being the attainment of maximum efficiency.

APPENDIX XXXIX.

EXTENSION OF THE TELEPHONE SERVICE TO BORIVLI.

No. 190, dated 30th January 1930, from Chamber to the Telephone Company.

My Committee have received a letter from a member of this Chamber on the subject of the advisability of extending the telephone service up to Borivli.

My Committee are aware that the telephone service extends at present upto Andheri. They will be much obliged if you will kindly let them know if your Board has considered its extension to suburbs further North and if so what is the decision they have arrived at.

No. G 3/K, dated 31st January 1930, from the Company to Chamber.

I have to acknowledge receipt of your letter No. 190, dated the 30th instant.

At the request of a number of residents of Malad and Borivli my Board went very carefully into the question of extending the telephone service to those places. Although a small number of persons took a very active interest in the matter and the Company canvassed the area, only 13 persons were prepared to enter into a contract for the service and the proposal has therefore been dropped

for the time being as it would seem that the demand is insufficient to justify the expenditure involved. It is hoped that at a later date conditions may change and the Company may be able to extend the system as suggested.

No. 420, dated 25th February 1930.

I am directed to acknowledge receipt of your letter of the 31st January 1930, No. G. 3/K. My Committee are informed that when some gentlemen approached you last year in this very connection they were given to understand that if 50 subscribers were forthcoming and sent formal applications with an year's subscription which was fixed at Rs. 350 against Rs. 210 in Bombay as deposit the matter would be proceeded with. As a matter of fact 50 subscribers did come forward with their applications accompanied by a deposit of Rs. 350 each. After a few months, however, my Committee are informed, you asked the subscribers to deposit subscriptions for a further two years. It was with regard to this that only 13 people came forward with three years' subscriptions as deposit. My Committee fear that if there are 50 prospective subscribers who are ready to deposit Rs. 350 as their first year's subscription, there should not be any difficulty in the way of your Company extending the line to Malad and Borivli. A large number of members of this Chamber are staying in different suburbs up to Borivli and it will be a great facility if the telephone connections were made available in these suburbs. My Committee do not apprehend that these subscribers would drop off after paying the one year's subscription. It would be difficult, however, to find a large number to pay three years' subscriptions as deposit, and that too in these times of trade depression. My Committee do not think that the experience of your Company with regard to suburbs like Santa Cruz and Andheri which have been provided with telephone connections has been in any way unpleasant. On the contrary, their information is the number of telephone connections there is on the increase. Under the circumstances, my Committee will be obliged if your Board will kindly see their way to providing this much-needed facility in suburbs upto Borivli.

No. G/K 3, dated 28th February, from the Telephone Company to Chamber.

I have to acknowledge receipt of your letter of the 25th instant.

The information which you have received is not quite accurate. The terms on which the Company offered to open an Exchange to serve Malad, Kandivli and Borivli were as follows :—

(1) 50 subscribers to enter into contracts for a period of three years at the rate of Rs. 350 per annum, and to deposit with the Company the amount of the first year's rental.

(2) A condition of the agreement between the Company and the subscribers to be that if the connection were not made within one year from the date of acceptance of the contract by the Company, the subscriber might require the Company in writing to connect within one month, failing which the contract would lapse and the amount deposited by the subscribers would be refunded to him upon demand.

(3) Upon the number of subscribers connected to the proposed new Exchange increasing to 70, rentals falling due from subscribers on that Exchange thereafter would be reduced to Rs. 300 per annum, and upon the number increasing to 100 the rate would be reduced to the ordinary rate in residences of Rs. 210 per annum.

These terms were offered in writing to various potential subscribers, in particular, to those who had already intimated their desire to have a telephone connection in the district in question. The offer was made in October 1928. By August 1929 only 13 persons had signed contracts on the terms offered by the Company and paid the sum of Rs. 350, being a year's subscription in advance, and 4 of these had demanded repayment and been repaid including the gentleman who had been the most active advocate of opening the Exchange.

In these circumstances it was decided to refund the amounts deposited by the other applicants.

I have no doubt that my Board would be prepared to provide an Exchange for this area if 50 persons are now willing to enter into contracts on the terms set out above and to deposit the first year's subscription.

At no time have subscribers been asked to pay three years' subscription.

While I agree that the number of subscribers in suburbs such as Santa Cruz and Andheri has shown a reasonable increase I think you will admit that so long as only a dozen or so subscribers show any definite intention of desiring to avail themselves of a telephone service in a particular area the Company cannot be expected to incur the very considerable expenditure involved.

No. 555, dated 13th March, 1930, from Chamber to Messrs. Kilachand Devchand & Co.

With reference to previous correspondence on the above subject, I am sending to you herewith a copy of a letter received from the Bombay Telephone Company. You will observe therefrom that the Company are prepared to extend the service if there are 50 prospective subscribers forthcoming. It is true they are asking for a three years' contract, but they expect the subscribers only to deposit one year's subscription. Perhaps their fear is that after the service is extended, the number of subscribers may fall down from the second year and hence this precaution. It is probable that they may come down in this regard too, say in accepting a contract for two years, if there are 50 potential subscribers ready to carry further negotiations with them. You will therefore after making necessary enquiries of parties prepared to take a connection write to the Company further in the matter.

APPENDIX XL.

INTERNATIONAL TELEGRAPH CONFERENCE, 1932.

No. 322-TPR/30, dated 16th August 1930, from the Director-General, Posts and Telegraphs to Chamber.

I am directed to inform you that the next International Telegraph Conference will be held at Madrid in 1932. I am to enquire whether your Committee would wish any matters regarding the regulation applicable to foreign telegram to be considered by Government. I am to request that your reply may kindly be sent so as to reach the Director-General of Posts and Telegraphs by the 15th September 1930.

No. 3526, dated 8th November 1930, from Chamber to the Director.

With reference to your letter No. 322. TPB/30, dated 16th August 1930, on the above subject, I am directed by the Committee of this Chamber to forward to you hereby their suggestions for the consideration of the Government of India.

My Committee would like to draw the attention of Government to the correspondence that passed between them and the Government of India in 1927 on the subject of the proportion of numbers in the text of deferred foreign telegrams. They are of opinion that the Government of India should again approach the International Telegraph Conference with a view to abrogating the new rules adopted at the Paris Conference in 1925 and substituting the old rules instead.

My Committee would also suggest that the Government of India should press again for the reduction of treble charges levied on urgent foreign telegrams. It may be recalled that this proposal was made by the Indian Telegraph Administration at the International Telegraph Conference in 1925. My Committee are of opinion that the Government of India should also press upon the International Telegraph Conference the necessity of extending the DLT and WLT services to all the countries.

APPENDIX XLI.

INVITING POSTAL AUTHORITIES TO MEETINGS OF THE COMMITTEE.

No. K. 26, dated 16th September 1930, from the Post-Master General, Bombay, to Chamber.

I have the honour to say that I should esteem it highly if the Director of Telegraphs or the Divisional Engineer, Telegraphs or myself might occasionally be invited to attend the meetings of your body. This is with a view to getting into a close touch with the business community generally and to know what the experiences of business people are with respect to Telegraph and Telephone matters and also to see in what respect the service stands in need of improvement.

No. 3214, dated 24th September 1930, from Chamber to the Post-Master General.

I am directed to acknowledge receipt of your letter No. K-26 of the 16th instant and to thank you, the Director of Telegraphs and the Divisional Engineer for your offer to meet my Committee occasionally. They will only be very glad to invite you to their meetings from time to time, whenever they have any matters concerning your departments to discuss.

The Transport Sub-Committee of the Chamber have before them a reference from the Director General of Posts and Telegraphs, inviting the Chamber's views on the question of regulation of foreign telegrams. The Sub-Committee are meeting on Friday, the 26th instant at 5-30 p.m. (S.T.) and it would indeed facilitate discussion of the matter, if the Director of Telegraphs could make it convenient to attend the meeting and let the Sub-Committee have the benefit of his views.

APPENDIX XLII.

CENSORSHIP OF TELEGRAMS.

No. 1127, dated 26th May 1930, from Chamber to the Post-Master General, Bombay.

I am directed by my Committee to send to you herewith a copy of a letter received from a member of this Chamber, regarding censorship of telegraphic messages. As far as they can see the message in question was an innocuous one and they cannot understand why it was deemed necessary to withhold its transmission.

My Committee would like to hear from you as to the reasons why this message was stopped.

Please return the enclosed telegraph office memo. when done with.

Copy of a letter from a Member.

I beg to bring to your notice the following fact and request you to place it before your Committee for necessary action in the matter :—

" A few days ago I was at Jamnagar for business purpose when I had sent a telegram to my firm here giving

quotations for Groundnuts, Castor seed, etc., inviting instructions for purchases. In reply to my telegram my firm from here despatched a telegram on the 6th instant as per text as under :—

"CASTERSEED NO REPLY MARKETS CLOSED DO WHAT IS "ADVISABLE."

This telegram was not delivered to me at Jamnagar. But a memo enclosed herewith was sent to my office here on the 14th instant. "Telegram stopped, being objectionable."

My complaint is that if business telegrams are interferred with in this fashion, the general commercial community will have to suffer a great deal and hence I think it is a point to be fought out by your Committee.

Letter No. T. G. 45010-4, dated 1st July 1930, from the Post-Master General to Chamber.

With reference to your letter, dated the 26th May 1930, on the above subject, to the address of the Chief Superintendent, Central Telegraph Office, Bombay, I have the honour to say that the transmission of the telegram in question was withheld under Indian Telegraph Route 13.

The enclosure received with your letter under reference is returned herewith.

APPENDIX XLIII.

INTRODUCTION OF BUSINESS REPLY ENVELOPES.

No. G. A. 104 (New), dated 26th June 1930, from the Post-Master General, Bombay to Chamber.

I have the honour to enclose herewith a copy of letter No. 193. A.C., dated the 22nd April 1930, from the Secretary, the Associated Chamber of Commerce of India and Ceylon on the subject of the introduction of "Business Reply Envelopes" (sample enclosed for ready reference), and to request the favour of an

expression of your opinion as to whether the proposed concession is likely to be used extensively by the members of your Association.

Postage will be paid by Addresses.	No postage stamp necessary if mailed in the United States.

BUSINESS REPLY ENVELOPE.

First Class Permit No. 66 Sec. 384 P. L. and R. New York, N. Y.

ALEXANDER HAMILTON INSTITUTE,
13, Astor Place,
NEW YORK, N. Y.

Copy of a communication No. 193-A C, dated 22nd April 1930, from the Secretary, The Associated Chambers of Commerce of India and Ceylon, to the Director-General of Posts and Telegraphs.

I am directed to place before you, for your favourable consideration, a proposition, in regard to the introduction of business reply envelopes, which will probably be of interest to you and meet with your approbation.

2. You are doubtless aware that many commercial firms and retail dealers, particularly those doing a mail order business, issue advertising matter to the public and enclose therewith stamped addressed covers to facilitate enquiry and reply. In the majority of cases the prospective customer fails to utilise the stamped cover, and the postage is thus lost to the advertiser.

3. The mail order houses in America, realising this loss, have arranged with the postal authorities there, for the introduction of

a new system under which permits are issued to houses of repute empowering them to issue these reply covers unstamped, on the understanding that the postage is paid by the advertiser on the covers they receive containing replies. This concession dispenses with the necessity for prepayment of postage and eliminates thereby the loss which would otherwise fall on the advertiser by stamping these covers for replies.

4. I enclose a specimen of the cover utilised in America for the above purpose and would remark that this cover may be of any convenient size. This cover you will notice bears prominently on its face, above the issuing firm's address, the words " Business reply envelopes " with details of the relative permit number. In the top left hand corner inside a white circle, within a black square a little larger than the size of a postage stamp, you will see the direction " Postage will be paid by the addressee " while in the corresponding right hand corner similarly framed, there is the direction. " No postage stamp necessary if mailed in the United States." On the right hand margin of the envelope you will see a series of short parallel horizontal lines running down to the lower edge which are obviously intended to mark this type of cover very distinctly for immediate recognition.

5. The introduction of a similar system of permits and "Business reply envelopes " for inland use in India, would doubtless be welcome by the trading community generally, and I shall be glad if you will kindly consider this proposal and favour me with your views concerning it.

No. 2153, dated 10th July 1930, from Chamber to the Post Master General.

I am directed to acknowledge receipt of your letter No. G. A. 104 (New) of the 26th ultimo enclosing therewith a copy of a letter from the Secretary, Associated Chambers of Commerce of India and Ceylon on the subject of the introduction of " Business Reply Envelopes."

My Committee have considered the proposal put forward in the letter from the Associated Chambers of Commerce, and they are of opinion that the proposed concession is likely to gain good support from the Indian Commercial public if it is rightly

advertised, and if the terms on which the concession is to be made are reasonable and not unduly restrictive.

In this connection my Committee would like to know whether this concession is to be allowed to individuals for non-business purposes.

APPENDIX XLIV.

PROHIBITION OF MONEY ORDERS SIGNED BY MORE THAN ONE PERSON AS REMITTER.

No. J. M. 19, dated 20th June 1930, from the Post Master General, Bombay, to Chamber.

I have the honour to say that it is proposed to lay down a rule prohibiting the acceptance of any money order signed by more than one person as remitter except in the case of Companies Associations, etc., I shall, therefore, be glad if you will kindly ascertain the views of your Chamber on the proposal and intimate to me as early as possible if it has any objection to the same. In this connection I may bring to your notice the fact that Clause 264 of the Post and Telegraph Guide prohibits a money order being made payable to more than one person.

No. 2125, dated 4th July 1930, from Chamber to Post Master General.

Your letter, dated 20th June 1930, on the above subject was considered by my Committee at their last meeting. Before they are able to pronounce any opinion on the proposal, they would like to be informed of the reason why the new rule has been thought necessary.

No. J. M. 19, dated 14th July 1930, from the Post Master General to Chamber.

With reference to your letter No. 2125, dated the 4th July 1930, I have the honour to say that one of the reasons underlying the proposal is that difficulties and inconveniences frequently arise when money orders which have been signed by two or more persons as co-remitters, are received back unpaid and have to be paid back to the remitters and one of them, as frequently happened, is not present at the time of repayment. In such cases both or all

have to sign the returned money orders or have to be identified and it frequently happens that the postal receipt originally granted at the time the money order was first drawn, which has to be returned to the Post Office, is in the hands of the absent party. In such cases the remitters themselves suffer more inconvenience than the Post Office does and this has been the experience all over India and not only in this Circle.

No. 2241, dated 31st July 1930, from the Chamber to Post Master General.

With reference to your letter No. JM-19, dated the 14th instant, the same was placed before my Committee at their last meeting. I am desired to point out that where a Money Order is signed by more than one party as remitter, if a provision is inserted in the Money Order form that in the case of the Money Order being returned as unaccepted the amount would be paid to the party whose name appears first on the form, the difficulties you have in mind will be met. Such a provision in the form implies an understanding between the parties as to who is to receive the money in case it is returned. My Committee will be obliged if you will give this suggestion your consideration and let me know if it meets with your approval.

2. FINANCE, TAXATION AND TARIFFS.

APPENDIX XLV.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1930-31.

Telegram, dated 2nd March 1930, from Chamber to the Government of India, Finance Department, through Sir Purshotamdas Thakurdas.

"Please forward following message Finance: Budget statement and speech not yet received by Committee and discussion consequently handicapped very much. The only basis for discussion being newspaper summary which is lacking in full figures and consequently criticism sent based on insufficient data. Intelligent public interest in such matters precluded by this step and Committee earnestly hope not only present omission immediately repaired but that same will not be repeated. Committee further understand that important newspapers in the City got complete

copy of speech on Friday afternoon and consequently view with amazement the omission of Indian Merchants' Chamber from such a courtesy.—INCHAMBU."

No. F 1 (2)—B (30), dated 19th March 1930, from the Government of India, Finance Department, to Chamber.

With reference to the last sentence of your telegram of the 2nd March 1930, to Sir Purshotamdas Thakurdas, regarding the omission to supply your Chamber with a copy of the Hon'ble Finance Member's Budget Speech on the 28th February, I am directed to state that, as a matter of fact, complete printed copies were not ready till the morning of that date. With a view, however, to minimising the inconvenience to the public, a very limited number of copies partly in proof and partly type-written, was sent out for supply *to the press alone* on the 28th February. Such inconvenience as was caused to your Committee on the present occasion, was equally caused to other public bodies as well, and was, in the circumstances, unavoidable.

Telegram, dated 2nd March 1930, from the Chamber to the Government of India, Finance Department, through Sir Purshotamdas Thakurdas, *Re:* the Budget.

Committee Indian Merchants' Chamber have gone through the Financial Statement of the Government of India, as published in the Press, carefully and with interest. They find that the review of Indian finance for last year as well as for the current year does not give any valid ground for the estimates presented for this year. On revenue as well as on expenditure side the figures submitted are such as admit of considerable revision with a view to greater economy. Considering expenditure first, Committee entirely disappointed at the alleged reduction of 80 lakhs in military expenditure, not only because reduction is only nominal, the expenditure for re-equipment being spread over three years instead of two with the result that net aggregate total charge will perhaps be greater by 40 lakhs in three years than as originally contemplated, but also because seven years after Inchcape Report, standard recommended therein of 50 crores maximum military expenditure not yet reached; nor any attempt still made to keep defence expenditure within that limit. Further, Committee cannot but point out that the value of the Rupee since 1923 has been

increased artificially by the enhanced ratio and consequently 55 crores of to-day are equivalent to 62 crores. Hence in value spent military expenditure instead of being reduced is in reality much higher than in 1923. Committee would also point to world efforts for peace and reduction of armaments and mention the example of Great Britain herself summarily reducing her Naval programme with a view to offer substantial earnest of her desire for real disarmament. Committee would earnestly enquire what token of this kind Government of India offer to make protestations of peacefulness believable? All these considerations combined, Committee most emphatically condemn continued maintenance of military budget at such an excessive level and demand immediate reduction so as to come within the standard recommended in Inchcape Report, with regard to enhanced value of Rupee. That would avoid all need of tax-increase, and even permit handsome refunds to Provinces for speeding up nation-building departments. Expenditure on Civil side also indicates persistent lack of real retrenchment. Committee see no reason why under the present financial condition Government should spend such large sums as those proposed for Civil Aviation. They also consider time ripe for serious efforts at reducing the burden of time-scale increments in salaries for which heavy provision necessitated in this as in all following budgets. Committee feel if Indianisation is to be genuinely carried out, and is to result in substantial economy in administrative cost, it is of the utmost importance to review with a view to retrenchment the scale of salaries and allowances of superior officers payable under the Indian Government, correlated properly to the amount of services obtained in return. On the income side, Committee would first observe that the deterioration in revenue on existing basis estimated by Finance Member, as likely to result, is utterly without foundation. No sufficient reason shown for fall by 99 lakhs in Railways and Posts, especially if genuine efforts are made for promotion of trade. They consider if allied services on Railways were properly developed both the Commercial Departments need show no loss at all, and may even result in good surplus.

Committee also fail to see why no mention is made in succeeding years of instalments from German reparations due to India, which must not be considered as extraordinary and as such to be

appropriated as and how Finance Department chooses. For the number of years for which that share even though progressively diminishing, is likely to be received, it must be definitely included as integral part of Government resources. They would like to know what share under Young plan will be accruing to India as against the 156 lakhs of this year from the same source.

Committee consider the accountancy fiction regarding constant re-valuation of Securities in Gold Standard Reserve dangerous and arrangements made regarding the interest receipts at standard rates for the same open to objection. These being fixed investments the necessity for constant re-valuation following changes in bank-rate is not at all imperative and only results in avoidable confusion in figures, without any substantial effect upon budget.

Regarding budget proposal for changes in taxation, Committee would lay down as general principal that no tax changes be made so as to add to revenues unless it be absolutely necessary to meet an unavoidable deficit, and in no case for building up a surplus or Revenue Reserve Fund and except where utterly unavoidable no taxation should be imposed by way of excise or export duty on the country's own produce unless latter is an absolute monopoly of the producing country, like jute. They accordingly feel that taken collectively the tax-proposals offend against first principle by taking more from people than absolutely needed for legitimate public requirements. They likewise welcome reduction in rice export duty, still holding to the belief that tax, even at its reduced rate, is an offence against sound public economy.

Changes in the Kerosine duties, in excise as well as on import, are, Committee are aware, complicated by the Oil combine's international arrangements, and consequently offer no further criticism.

Changes in Sugar duty, Committee consider, to be excusable solely on ground of benefit to the Indian Sugar Industry. They advise the same duty be levied on Gur. Reduction in the price of sugar, they recognise, may make the net effect of the burden not unbearably high. And appropriation for Sugar Industry development is welcomed for same grounds.

Regarding Income-tax, Committee would press the principle mentioned by the Finance Member himself of 'allowing business losses incurred in any one year to be carried forward to the next year' to be introduced as and from this year, as the prolonged severe depression has told very seriously on business in general in the country. They would advice business profits to be assessed on three years' average. They would take this opportunity to press that the existing exemption of Sterling Securities from Indian Income-Tax be removed as an inequitable feature of Indian Finance, and that said Securities be made liable to the same. Committee strongly opposed to increase in Income and Super-tax as an extra burden on the individual Income-tax payer, who is already heavily taxed.

Committee consider duty on silver objectionable in principle. Truly speaking India is not a silver producing country; and only sense in which she can be so regarded is in virtue of high accumulated stocks of silver in the country. They are convinced, however, that by artificial appreciation of this kind sought to be given to silver, no real benefit will accrue to the silver wealth of community. They further feel convinced that such treatment of silver is intimately mixed up with general currency policy and so long as India a heavy consumer of silver—is committed to the policy of demonetisation of silver. Government must realise that international price of silver must fall. Any attempt to dispose of India's silver in world market must, therefore, inevitably result in loss no matter how high the silver import duty in India may be. Committee would accordingly advise no steps be taken to tax movement of precious metals, pending the revision of the entire currency policy of the country. If proposed duty is intended to afford protection to silver produced as by-product in Burma, Committee would point out that would be a wrong uneconomical method of granting such protection. Tax on silver, they would further point out, is added to the other tax proposals, with a view not to meet an unavoidable deficit but to secure a surplus which is utterly unjustifiable. Committee would remind Government that their silver policy in the past has been one unbroken series of injury to India and the measure now proposed is in no sense calculated to remedy that long and deep injury. They, therefore, unreservedly condemn proposal for silver duty, and

trust Government will drop it as unlikely to help at all the value of silver stocks. Only item in that part of budget Committee can at all welcome is the implied invitation to joint action for silver producing countries of the world with a view to maintain prices of silver. Though apprehensive that the time is long past when even international action of this kind would succeed, Committee would nevertheless not bar any door for reconsideration so as to right the wrong of half a century if it be humanly possible. In this connection, they would commend to Government action of the United States Government regarding purchase by Government of all silver produced in that country at a fixed price. Would Indian Government, Committee ask, be prepared to follow suit so as to afford a guarantee of minimum price to silver stocks of the country.

In view of all the tax proposals of Government Committee would strongly press for reduction in Salt duty.

Coming to the proposed duty on cotton piecegoods Committee welcome the increase of the general import duty to 15 per cent. They note that an additional protective duty is proposed to help the cotton industry in its present position. While appreciating this desire of the Government of India to come to the rescue of the premier Industry of the country, Committee cannot help pointing out with regret that the principle of Imperial Preference, which has been opposed by practically all sections of Indian Commercial opinion, has been incorporated in the new tariff and the additional protective duty is to be levied on piecegoods from non-British countries. Though Government have made it clear that they regard this proposal merely as a special measure intended to meet the immediate emergency, Committee feel that the situation which has arisen consequent upon such a proposal is a very serious one. They cannot ignore the implications of the proposal, nor the fact that the very idea of Imperial Preference has always been opposed. Committee cannot but note that taken with the Steel Protection, this measure will make a second significant precedent of Imperial Preference which cannot but involve the country in unwelcome complications, unless the strongest possible safeguards are provided to avoid these. In particular the present unavoidable acceptance of this proposal must never be construed as endorsing

the principle of Imperial Preference and preamble to Bill must make this clear. In view however of the prolonged acute depression in the cotton industry, and also the appeal of the British Government, Committee see no alternative but to accept the proposal. They accordingly urge that the operation of the protective duty, excepting in its aspect of Imperial Preference, should be effective at least for five years as they cannot expect any revival of the industry immediately. They recommend that at least some substantial part of the revenue from these duties should be appropriated for the development of the cotton industry.

Coming to the ways and means budget, Committee would reiterate their strong disapproval of the last Sterling Loan and welcome the programme of ways and means in so far as it definitely omits any Sterling loan for next year. They note that borrowing next year even in India of new capital is very considerably reduced, but cannot avoid impressing upon Government the desirability of radically reviewing their capital programme for next few years when country passing through acute economic depression. Pending the realisation of efforts now proposed to be made for revival of industry and trade in country, all possible means of securing necessary capital for such revival should be adopted, and if Government restrict their capital borrowing to the absolute minimum required the same would materially assist the programme of economic revival."

APPENDIX XLVI.

STERLING LOANS.

Telegram, dated 10th February 1930, from the Chamber to the Government of India, Finance Department, through Sir Purshotamdas Thakurdas, their representative in the Legislative Assembly re. the Sterling Loan of £6 millions issued in February 1930.

" Committee Indian Merchants' Chamber emphatically protest against raising of six million pounds sterling loan to meet Secretary of State's maturing bills not only because it is loan raised outside India and as such against best economic interests of India but also because it levies unjustifiably heavy burden on Indian taxpayer by its ruinous rate of interest and from exemption

of sterling bondholder from Indian Income tax. As matter of policy Committee would seriously warn Government against recourse to foreign money market under avoidable circumstances for circumstances under which loan being raised could and should have been avoided. Committee feel convinced that situation now arisen is clearly due to financial mismanagement and still more to root evil of unnatural and forced Exchange. Loan moreover will have most disastrous effect on country's trade and industry which are already in state of acute depression and as such also Committee most strongly condemn it. Further such flagrant disregard of vital interests of India's industry and commerce is calculated to have disastrous effects on Indian commercial opinion. Committee would accordingly urge that such sacrifice of Indian interests which Secretary of State himself declared has stopped must really be stopped. Inchambu."

No. D 1031—F, dated 12th February 1930, from the Government of India to Chamber.

I am directed to acknowledge the receipt of your Committee's telegram (without date) communicated through Sir Purshotamdas Thakurdas, M.L.A., protesting against the recent sterling loan.

No. 2015, dated 11th June 1930, from Chamber to Government of India, Finance Department.

£7,000,00 Sterling Loan Issued in May 1930.

The Committee of the Indian Merchants' Chamber have not addressed earlier the Government of India regarding the above Loan for the obvious reason that the Committee's opinion regarding sterling borrowings of Government has already been submitted to Government before now on several occasions. I am to draw the attention of Government to the Committee's telegram, dated 10th February last in connection with the raising of the £6,000,000 sterling loan in London in that month.

The Committee feel that this further borrowing of such a substantial amount of £7,000,000 in London despite Sir Basil Blackett's dictum in the Assembly regarding the policy of the Government of India not to borrow outside India, has very serious significances. Even though my Committee be prepared to concede that the Government of India have been obliged to resort to the

London market for borrowing as an unavoidable result of their currency policy, they submit that that does not make the borrowing any the less harmful, or more acceptable to the country. The stage to which the Government of India have reduced themselves by their persistence in their policy despite warnings from quarters, both commercial and otherwise, is clearly and unmistakably reflected in the compulsion of Government, during the last week, to withdraw from the exchange market in India. For two weeks in succession the Government got no tenders for sterling and they were compelled to withdraw from the exchange markets here helplessly and in a manner which practically admitted their inability to fight the natural economic forces. Exchange has lately touched not only the lower Gold point but has almost gone under it, and even today my Committee understand that it is not possible to obtain large amounts of sterling for forward delivery in the open markets of Calcutta and Bombay. The corrollary of this state of affairs cannot be mistaken by the Government and my Committee have only to draw the attention of Government to the serious result of such a state of affairs on the popular mind.

The continued contractions of currency that have been effected by Government during the last few weeks makes the total of these, since the beginning of this calendar year as high as 17 crores of Rupees, and what such a substantial amount withdrawn from the money market of India means, cannot be overlooked. My Committee wish again to draw the attention of Government to the unenviable position in which the Government are finding themselves by persisting in their policy, and the Committee's only regret is that the present constitution and form of Government gives them no other alternative but only to lodge their emphatic protest at every wrong step that Government may take.

No. 3458, dated 31st October 1930, from Chamber to Government of India, Finance Department.

£ 12,000,000, Sterling Loan Issued in October 1930.

I am directed by my Committee to address this letter to the Government of India in connection with the recent sterling loan in London. In this connection my Committee have noted that, in spite of previous promises and in spite of a declaration even on this occasion that opportunities will be given to Indian investors

to take up this loan, the actual facilities given to them were nil, and my Committee are not aware whether any substantial amounts were taken by Indians. In fact it is the considered opinion of my Committee that perhaps Indian investments in the sterling loan would have militated against the very object with which the loan was raised, as it would have created a remittance from India, in stead of the other way, which was required for the maintenance of the exchange.

Government borrowings in London with a view to support an exchange ratio that was condemned by Indian opinion everywhere, have during the current year on three occasions totalled up to the enormous sum of £25 millions. As on a previous occasion, it is quite clear that this borrowing is not to meet the genuine and *bona fide* requirements of Government either on revenue or on capital account, but has been necessitated in order to fill up gaps created by the working of national economic conditions, merely with a view to sustain the exchange. It is also with the same object that the Bank rate in India is being maintained at a very artificial level by Government coming into the market for Treasury Bills paying very high rates in an effort to raise money rates all round. These heavy rates constitute a direct tax on industry and on trade and have had the disastrous effect of accentuating the fall of commodity prices and bringing about an unprecedented situation of distress. In this situation the commercial community look to Government for relief, instead of which, Government's successive actions in their Bank rate policy, Treasury Bill policy and sterling loan policy, have the cumulative effect of actually deteriorating the situation rather than helping it.

My Committee, therefore, desire to raise the direct issue as to whether Government still intend to persist in maintaining an exchange ratio that was forced on this country against the universal opinion of the commercial community. When every one in the world aimed at reaching the pre-war ratios, or as near as possible, there was no reason for India to pitch its ratio high and to artificially appreciate its currency, bringing about disorganisation of its economic life during a heavy fall of prices. My Committee feel that Government would not be able to maintain the exchange as they have done in the past at a very heavy cost to India, and even

in the past they have been enabled to do so because of the fortunate circumstances of a succession of favourable monsoons. Looking at the condition of Government finances generally and at the economic conditions in India, on which Government finances ultimately must rely, my Committee feel that the time has come when Government may well admit their past mistake and act as a national Government will act under the circumstances, instead of pursuing a policy largely dictated from London and obviously in the interests of the London money market.

My Committee do not desire to raise minor grievances in connection with the sterling loan. The principle of sterling borrowings has been condemned. That heavy rates should be offered abroad, putting a permanent burden on the taxpayer here, is in itself objectionable. The volume of borrowing is also going far beyond reasonable limits and there does not appear to be any justification for this volume. My Committee beg to state that money conditions in the principal money markets continue to be very easy and there is little likelihood of any monetary stringency being felt in the coming months. These conditions find ample confirmation from the fact for instance that the U. S. A. Government recently raised $ 325 million 12 month Certificates at 2⅜ per cent. Further, the Australian Government, whose credit has been none too high, recently raised 12-month bills in London at a little under 3½ per cent. These conditions are particularly significant for London and New York at this time of the year when there is the pressure of autumnal demand for financing shipments of wheat and cotton. If Government will also refer to conditions in Paris the Parquet reports carry-overs at ½ per cent. In view of all this, my Committee cannot see the justification of such a high rate as 6 per cent. They also beg to point out that the loan was at a premium of 2½ per cent. within 72 hours this time, and the last loan is at about 3 per cent. premium. The only conclusion that my Committee can come to is that the exact estimation of the situation by those who fixed the loan terms was not correct.

My Committee do not desire to raise at this moment the question in what manner Government should step down from the present unnatural exchange ratio, as they recognise that it would have to be done with some circumspection. But they would like

to raise specifically and pointedly an issue, that the time has come when Government should not make any further sacrifices of Indian funds and Indian resources to bolster up an artificial and unnatural value of the rupee, which is not justified by circumstances. It is the opinion of my Chamber that the economic distress, which is visible in every market in every commodity, would be to some extent relieved and the position of industry and trade, particularly of the primary producer, is bound to improve if exchange is allowed to slide down as it is wanting to do for a long time. This measure of relief the community is entitled to at the hands of Government and my Committee think it their duty to raise this issue. They would like to utter a warning that, if Government still persist in the course which they have adopted in the last few months, they could do so at a very heavy cost to this country and by inflicting on the producers in India an injury, which they are not in a position to bear.

My Committee will be obliged if Government will be pleased to inform them as to whether any Underwriters were appointed to underwrite the loan and, if so, what was the commission allowed to them.

Letter No. D-7159-F, dated 8th November 1930, from the Government of India to Chamber.

SUBJECT :—*Sterling Loan.*

I am directed to acknowledge receipt of your letter No. 3458, dated the 31st October 1930, and to state that the general views of your Committee expressed therein have been noted.

2. With reference to the last paragraph of your letter, I am to say that the recent sterling loan was underwritten and that the usual underwriting commission of 1¼ per cent. was paid.

APPENDIX XLVII.

TRADE DEPRESSION AND THE GENERAL ECONOMIC SITUATION IN INDIA.

Letter No. 276, dated 8th February 1930, from Chamber to the Secretary to the Government of India, Finance Department.

I am directed by my Committee to address you with reference to the general economic situation in the country, which has been

becoming more and more serious in recent months. I am to address you, in particular, with reference to the situation in Bombay which has become critical and acute. Trade is at a standstill. The Cotton Mill Industry on which the prosperity of the City depends is in imminent danger of being ruined. Unemployment has been on the increase and is still increasing. Earnings have heavily declined. The purchasing power of the people has been impoverished. Their taxable capacity has been steadily and seriously reduced, and the burden of taxation has therefore become unbearably oppressive. Municipal and Provincial Budgets have been seriously affected. Not only are the nation-building activities starved for want of finance, but even the maintenance of existing institutions of public welfare is at stake. Further, the continued and acute depression in trade and industry is affecting also the Port and Improvement Trusts. The railways serving this city and the Presidency are similarly affected, and so also public utility companies. Property values have seriously declined. Industrial investment all round is giving a poorer yield, if any at all. There has been a serious shrinkage in credit. Confidence, which is the basis of business relations, is being shaken. It has almost ceased to exist. Numberless business concerns are in difficulties, and have been working at a loss. Many are on the verge of, or have already gone into liquidation, and individuals into bankruptcy. As a result, discontent has been spreading; and at a time when there is so much political ferment my Committee have grave apprehensions of its developing into serious unrest, not only economic, but also political, for the one rests on the other, unless measures are taken, not to repress it and drive it underground,—but to deal with the root causes that have been creating it.

2. These causes, my Committee are convinced, are largely economic and are creating an atmosphere so easily chargeable with the elements of disturbance and disorder. And my Committee warn Government, with all the earnestness that they can command, that unless Government bestir themselves and remove those causes, disaster of a kind and a magnitude, never experienced before, will overtake this City and Province and even the country. My Committee are convinced that nothing short of a bold and far-seeing policy, grappling with essential causes, will save a situation

that is not yet forlorn. Gravest consequences not only to the public but also to the Government will otherwise ensue.

3. After a very careful consideration of the whole situation my Committee are convinced that apart from the general depression in trade and industry the world over, there are special causes which have been and are accentuating it in this country. The first is the Currency and the Financial policy of the Government, with regard to which time and again have my Committee had reason to protest, as being seriously prejudicial to the economic interests of the country. The second is the want in the Government of India of an effective policy of protecting the industries of the country. And thirdly, there is a lack of interest and action on the part of Government in dealing with situations as they arise from time to time in the trade of the country. Indeed, Government action or inaction in these three matters have been such that the inference is inevitable, and logical, that the Government of India as an Executive irresponsible to the Legislature, is not only irresponsive to the needs of the people, their interests, their well-being, but is inspired with a transparent regard for the exigencies of interests foreign to the interests of this country and its people. The manner in which, in spite of the extent of the administrative machinery available, the Government have shelved questions of public importance; the manner in which they have delayed the application of protection and safeguarding measures; the manner in which they have ignored Indian industrial and commercial opinion time after time; and the manner in which principles and policies have been forced on this country against the wish of those among its people who can speak with authority on Indian economic questions, can lead to no other inference.

4. To take the first of these causes, my Committee regret that even now they cannot agree with the position taken up by the Hon'ble the Finance Member in his reply to the remarks of the President of this Chamber at the recent interview that he had with them, *viz:* that there was no justification for saying that the maintenance of the Rupee at 18*d.* was the cause of the present depression in India. There are two kinds of proofs which can be adduced to substantiate an economic argument: one is the statistical and the other is the practical as judged by the results of a particular policy in the sphere of trade and industry. There has been

sufficient proof forthcoming in both these directions to justify my Committee in the view they have always taken that the 18*d*. ratio has led to a veritable disaster in the trade, commerce and industries of the country, as also in its agriculture. Even at the risk of being charged with repetition, my Committee beg to point to the increasing imports and decreasing exports and the consequent decreasing balance of trade in favour of India as showing how the adverse ratio has injuriously affected the trade and industries of the country. The epidemic of strikes throughout the country and other labour troubles cannot be explained away by merely alleging that communism is responsible for them. It is the economic maladjustment consequent upon the enactment and the forcing of the new ratio that has led to the acute economic distress and to the labour troubles, which are but a manifestation in visible form of that distress. Industries have been suffering heavily and if Government scan but closely the downward curve of the quotations ruling on the local Share and Stock Market, including quotations of Government securities, they will realise what ruinous effects have already been wrought on the industries and trade of the country.

5. To take a concrete instance, the cotton textile Industry, as has been repeatedly said by this Chamber and by Millowners' Associations, is in the worst possible plight. My Committee emphasise this aspect not because they feel that it is not known to the Government of India but with a view only to point out how, though Government have been time after time sent cries of distress by public bodies concerned with this industry, they have not taken any action which can give the slightest hope of relief. Several mills have gone into liquidation, and a large number are now giving notices to their employees of an actual, and some of a possible, shut down from the first of April. It will mean, as it has been mentioned already, a complete breakdown of the economic organisation of this City the very foundations of whose well-being are so largely based on the fortunes of this Industry.

6. While on this subject, my Committee must emphatically protest against the long, protracted and inordinate delays on the part of Government in dealing with the Reports and recommendations of enquiries set up by them, often under the compulsion of a growing agitation. The report of Mr. Hardy on the Cotton Mill

Industry would appear to be still "Under consideration". The report of the Tariff Board on the Chemical Industry is not yet even published, it being stated by the Secretary of State the other day that the matter is "complicated." Surely, Government have the ability and competency to make up their minds expeditiously and act. They have the means. Or must it be concluded that they have not the enthusiasm to save Indian Industries which are on the verge of ruin? A business concern that exhibits such inaction and procrastination at a critical time would, indeed, soon pay for it with its every existence. Indian public opinion urge the appointment of a Committee to enquire into the ways and means of developing an Indian Mercantile Marine. That Committee reported in 1923 and made some far-reaching recommendations. A comparatively minor one has been given effect to. And it was left to a non-official member of the Assembly to introduce a Bill for the Reservation of the Coastal Trade of India. That Bill has received the unanimous support of Indian public opinion, and it has been accepted in principle also by the Assembly. And the Government of India have thought it fit—it cannot be in the interests of this country—to oppose it. What are we to conclude from this open defiance of Indian public opinion?

7. There is yet another matter on which Government are apparently content to sit still and watch. Mr. L. R. Tairsee, the then President of the Chamber, pointed out in his letter of the 30th August 1929 to the Hon'ble Member for Finance, how the price of Indian cotton had since the beginning of the year ruled considerably lower in parity with American cotton prices. Since then the price of that commodity has fallen even lower, accentuated by the slump in the demand owing to the state of the Mill Industry; so that the price at present ruling is not even the economic price for the agriculturist. At such crises in countries like the United States of America, where the people have a voice in the Government of the country, speedy and successful measures are taken by the Government to help in the financing of the crop or in other ways in order to keep the agriculturist from being ruined by the collapse of the market. Even in a country like Egypt, the Government have readily come to the assistance of the growers at such junctures. My Committee are not aware of any measures taken by Government in this country to protect the agriculturist

from the effects of their own ill-conceived, unfortunate, narrow-sighted, unfair and ruinous economic and financial policy.

8. My Committee cannot complete this tale of woe and breach of Governmental duty without reference to the policy being pursued with regard to the sale of Silver. They have drawn the attention of Government, to this question also, several times before, but so far without any success. Silver has now perhaps reached its lowest price and the drop from Rs. 70 to Rs. 46 during the last three years has meant the wiping off at a stroke a large part of the wealth of the Indian pesantry—whatever it is—by over one-third. Whatever little savings the Indian ryots have are mostly in silver and the serious shrinkage in the value of their holdings in the metal has inflicted another crushing blow to them, following on the injury that they have already received from the 18*d* ratio. Again, sales of silver are conducted in a manner which leaves much to be desired; nor would any definite principle appear to have been laid down with regard to the sales themselves. In fact, Government were approached so that this state of things could be remedied; but apparently they do not intend to hood or alter their policy.

9. It is under all these distressing circumstances that my Committee are compelled to write this letter once more to draw the attention of Government to the manifold and serious economic grievances under which the country is groaning at present. Having regard to the situation as it exists and the manner in which it is being handled or mishandled by Government, my Committee are constrained to say that Government have not been doing their duty by this country. They have been at best tinkering with the situation, and have either not realised its gravity or are content to shut their eyes to it. They have certainly not bestirred themselves in a way and to the extent necessary to deal with it. We shall not say that they have been complacently watching; but my Committee cannot help feeling that they have shown general disregard of their duty to the people and to their industries, without which no Government can have even the wherewithals to exist. In any other country a Government, responsible to the people, would have been turned out of office on a half-hearted, vasciliating, patch-work and irresponsible policy, if at all a policy it can be

called,—and what is worse, a policy hostile to the Nation's interests.

10. These are strong words, but my Committee use them deliberately because the situation demands plain speaking. It calls also for a plain demand. We have begged and beseeched time again. We now demand that Government should boldly declare that they will spare no effort to save the industries of the country on which its very life blood depends, and without which neither peace nor prosperity would be possible; for, there can be no peace with poverty; and that they will act with all the means and resources in their power, administrative and financial, to carry such a declaration into effect. We demand a spirited and active assistance, not mere passive or lip sympathy, in guarding the country's vital interests, first and foremost. We demand not words but action, and organised help and protection, such as a Government alone can give. We demand as of right, not only their attention, but the fullness of their labours, their unstinted service as the servants of the people. And we demand that their attitude of sloth, of inactivity, of *Laissez faire*, of apathy and indifference shall cease; and that instead, while Rome is burning, there shall be an awakening of real responsibility and the stir of prompt, sure, speedy, serious and undivided effort to stay a crisis and a disaster that looms large before us and threatens to overhelm the country.

APPENDIX XLVIII.

INDIAN CENTRAL BANKING ENQUIRY COMMITTEE.

Questionnaire of—

The following memorandum is published in order to assist witnesses in the preparation of their evidence. It is not to be regarded as exhaustive; nor is it necessary that each witness should be able to deal with all the questions.

I.—Industrial Banks and credit facilities for India's main industries.

1. State with reference to one or more industries which you have had opportunities to observe the credit facilities required with special reference to (*a*) fixed capital expenditure or block, and (*b*) current requirements or floating capital.

State also how far as in your opinion these requirements are met by various types of banks and bankers and how far the present facilities of financing fall short of the actual requirements.

2. Different methods of financing and different classes of paper or documents are used in industries in connection with production, import and export. In some cases it is the buyer who finds the money himself or through his banker; in other cases it is the seller who finds the money for himself or through his banker; and in others it is the middleman, merchant, or commission agent who does this. Describe any prevailing trade or business practices relative to these which have come under your observation and suggest any improvements in the present organisation which, in your opinion, will benefit the different classes of producers and merchants or the community at large.

3. Give particulars of the rates of interest which are charged at present on loans and advances and also of the different classes of securities which are approved by banks, financial houses and commission agents.

Indicate any difficulties experienced on account of lack of credit facilities or on account of high interest or discount rates or on any other account and suggest remedies therefor.

4. If in your opinion banks in India have not financed industries, large or small, freely, to what causes do you attribute their reluctance? Do you think financing of industries is possible by banks as they exist at present and by their present methods?

If not, do you suggest the establishment of any other machinery?

Are you in favour of trade banks, *i.e.*, banks which specialise in dealing with special trades?

Do you favour the establishment of an industrial bank in each province?

If so, what constitution would you suggest for such a bank?

What are the facilities which in your opinion should be given to such a bank either by Government or any other agency?

Would you suggest any restrictions on the grant of loans by such a bank in order to secure reasonable safety for the bank while providing finance for industries ?

II.—Financing of Foreign Trade.

1. Would you state, with reference to any trade that you have had an opportunity to observe, the credit facilities which are required and to what extent banks supplying these facilities fulfil the present requirements ?

In your opinion, is there any class of merchants who are unable to secure all the assistance they need either in India or in foreign countries, and if so could you give any reasons for this state of affairs.

What remedies do you suggest ?

2. What are the credit instruments in use with regard to foreign trade ?

In what conditions is credit available against these documents and in what conditions is clean credit available ? What are the rates charged by the banks ?

Are there any seasonal fluctuations in these rates ?

What are the facilities existing at present in the export trade for discounting export bills ?

Are there any restrictions that you have to complain of ?

Have you any remarks to make with regard to the exchange rates which are charged for the conversion of rupee into sterling or other foreign currencies, and *vice versa* or for the remittance of funds to and fro ?

3. (*i*) Have you any suggestions to make with regard to—

(*a*) the establishment of bonded warehouses;

(*b*) the present practice of port trust warehousing,

(*c*) the practice by banks of releasing goods on trust receipts, or

(*d*) any other methods in vogue for the convenience and facility of merchants engaged in the import trade ?

(*ii*) Do the interests of the traders and the public suffer in any way through any defects in the present organisation, and have you any suggestions for its improvement ?

III.—Regulation of Banking.

1. Are you in favour of audit and examination of bank accounts by examiners ?

If so, how should these examiners be appointed and by whom ?

What should be the duties of such examiners ? What should be their qualifications and how should their cost be met ?

2. Are you in favour of any kind of restrictions being imposed on the business of all banks ?

For example, should there be any restrictions of the nature imposed on the Imperial Bank of India under Section 8 of the Imperial Bank of India Act ?

(*N.B.*—Parts I and II of the schedule referred to in Section 8 of the Act which indicate the business which the Bank may *and* may not transact are printed as an annexure to the questionnaire for ready reference.)

3. In your opinion is it desirable that the use of the word "bank" should be restricted, and if so, what restrictions do you suggest ?

Also state whether you suggest any additional provisions for special application to (*a*) a private firm in India doing banking business, (*b*) a branch of a firm, whose head office is located outside India, doing banking business in India, and (*c*) a branch of a company whose head office is located outside India, doing banking business in India ?

Through what agency and in what manner would you have these provisions enforced ?

4. Are you in favour of defining by legislation or otherwise the sphere of operations of any class of banks, *e.g.*, Co-operative Banks, Exchange Banks, etc.

5. Do you think that foreign banks should not be allowed to do banking business in India unless they received a license ? What

authority, in your opinion, should have the power to issue, renew and cancel such licenses ? What regulations should in your opinion be prescribed for governing the operations of such a foreign bank ?

6. A Bank which is a limited liability company registered in India is at present governed by the law of Joint Stock Companies in India.

Do you consider that position satisfactory ?

If not, what additional provisions for special application to such banks would you suggest, particularly with reference to (*a*) authorised and subscribed capital, (*b*) capital that should be paid before business is started, (*c*) provision of reserves, (*d*) proportion of cash balance to time and demand liabilities, (*e*) publication of balance sheets, their form and frequency, etc. ?

7. Have you any suggestions to make for regulation of expeditious liquidation and advance payment to depositors in case of failure of banks ? (*Cf.* case of the Alliance Bank of Simla.)

8. Would you state the principal causes which in your experience of observation have led to bank failures in India ?

What remedies would you suggest to prevent a recurrence of such failures or to secure timely assistance in such cases ?

9. It has been suggested that in some actual cases in the past where banks have been in difficulties, some plan for amalgamation or reconstruction instead of liquidation would have been in the public interest. Would you state your views on this suggestion and would you recommend any provision for securing that, before liquidation proceedings are enforced, adequate opportunities should be given for exploring the possibility of arranging a scheme for amalgamation or reconstruction ? If your answer is in the affirmative, please make suggestions as to the sort of provision which you have in mind.

10. It is complained that the cost of liquidation is high at present. Have you any suggestion to make regarding this point and for the reduction of such cost ?

11. Are you in favour of making any distinction between current accounts and other deposits in the matter of protection of depositors and do you suggest any legislative measures for the purpose ?

Do you recommend the creation of a special class of deposits as distinguished from current and fixed deposits under the existing system and the passing of any special legislative measures for the protection of such deposits with a view to encouraging the investment of savings ?

12. Have you any suggestions to make in regard to the proposal that is sometimes made that banks which are really stable should be legally protected against unjust attacks on their stability ?

If so, please give your views as to who is to determine the cases in which such protection should be extended and in what circumstances, and also the nature of the protection to be granted.

13. What are the various taxes paid by banking companies ? Do any of these taxes interfere with the development of amalgamation of banks ?

Have you any suggestions for modifying, removing or readjusting these taxes ?

Do you recommend any special concessions, etc., in respect of particular classes of banks, *e.g.*, Co-operatinve Banks ? State your reasons.

IV.—Banking Education.

1. What are the existing facilities for banking education in schools, colleges and universities in India ?

Is there any co-ordination of effort between such institutions and the banks ?

2. Do banks provide any facilities for the training of boys in banking business ?

What is the present method of recruitment of staff by the Imperial Bank of India, the Indian Joint Stock Banks, the Exchange Banks and the Co-operative Banks.

3. How far is instruction in banking, theoretical and practical, combined at present ?

4. Can you give any information regarding the facilities afforded in other countries in the matter of banking education ? Have you any suggestions to make regarding the facilities that should be made available in India ?

Have you any suggestions to make in regard to the grant of facilities for higher training outside India to bank probationers and bank assistants in India ?

5. Have you any suggestions regarding the constitution of the Indian Institute of Bankers ?

6. What is the present position and what in your opinion should be the future position of the Indian Institute of Bankers in regard to Banking Education ?

7. What is the training of indigenous bankers at present ?

Have you any proposals of a practical nature for the provision of special training for this class ?

8. What are the prospects, present and future, of boys trained in banking in India ?

Do you attribute the slow development of banking and specially branch banking to absence of trained men in India ?

V.—General Banking Organisation and Money Market.

1. Do you find in the present organisation of Banks and the Money Market in different parts of India any defects which are likely to be remedied by

(*a*) administrative measures of Government,

(*b*) legislation, and

(*c*) co-operation amongst bankers themselves ?

2. Have you any suggestions to make regarding greater co-operation between indigenous banks and other banks in India ?

3. Have you any suggestions to make with regard to the organisation and functions of Clearing Houses in India ?

4. Have you any suggestions to make with regard to the regulation of the bank rate ?

5. Can you describe from personal observation any financial panic which arose in any centre in India ?

Explain its causes and state if you have any suggestions to make with a view to preventing any unjustified panic ?

6. Can you indicate the nature of frauds and malpractices which have been experienced by banks in India and which have from time to time led to stricter regulation and restriction of credit by these banks thus making *bona fide* constituents suffer ?

To what extent have such frauds and malpractices to be attributed to the inadequacy of existing legal provisions and defective nature of business practices ? Can you suggest any change which will afford protection to the banks against such malpractices without entailing any hardship on *bona fide* customers ?

7. Have you any suggestions to make with regard to Banking organisation in India by which—

(*a*) the cost of management may be reduced.

(*b*) the rates of interest on advances can be brought down,

(*c*) greater stability of banks can be assured, and

(*d*) the cash resources of the various banks can be mobilised to meet any emergency or unexpected situation that may arise ?

8. Considering that the dividends of established banks are fairly high, what in your opinion prevents more capital being invested in the expansion of existing banks or the establishment of new banks ?

9. Do you support the suggestion that banks in India do not find a sufficiently large number of bills against which they could make advances and that this particular instrument of credit of which the banking systems in other countries make large use is not available in sufficient qualities in India ? If so, what are the causes of this and what remedies do you suggest ?

10. Have you any suggestions to make regarding the organisation of the Indian Money Market with reference to settlements on stock and produce exchanges ?

11. Can you describe the relationship that now exists in India between the banks and the various classes of brokers, such as finance brokers, hundi brokers and exchange brokers ?

12. Have you any information regarding the general agency business done by banks in India for their constituents ?

13. How far have banks in India found the maintenance of their own godowns successful in meeting the trade requirements of their constituents ?

14. Have you any suggestions to make for augmenting the resources of banks so as to enable them to afford further facilities to commerce, industry and agriculture ?

Would you recommend any one or more of the following methods for securing the increase in capital or would you suggest any other methods :—

(*a*) by way of foreign capital, *i.e.*, by direct floatations in other countries or through Foreign Banks ; or

(*b*) by attracting the savings of the community, or

(*c*) by funds made available by Government, *e.g.*, a proportion of the receipts from Cash Certificates and Savings Banks deposits ?

15. To what extent has the Imperial Bank of India been serviceable in the past—

(*a*) to the main industries of India, such as Cotton, Coal, Jute, Metals, Sugar, Electrical undertakings including Hydro Electric projects;

(*b*) to the movement of crops ;

(*c*) to the Exchange Banks :

(*d*) to ordinary Banks—Indigenous and Joint Stock ;

(*e*) to the Indian States ; and

(*f*) to the Indian Provincial Governments !

16. To what extent has the Imperial Bank of India been useful in regard to the liquidation of other banks ?

17. Have you any views regarding the present position of the Imperial Bank of India and the position it should occupy in the future ?

18. What facilities and concessions has the Imperial Bank of India enjoyed from Government, Municipal and other Corporations and Indian States ?

Should all these be continued or restricted ?

State if in your opinion Joint Stock Banks in India should also be afforded similar facilities and concessions.

ANNEXURE.

SCHEDULE TO THE IMPERIAL BANK OF INDIA ACT, XLVII OF 1920.

Part I.

Business which the Bank is authorised to carry on and transact.

The Bank is authorised to carry on and transact the several kinds of business hereinafter specified, namely :—

(*a*) the advancing and lending money, and opening cash-credits upon the security of—

(*i*) stocks, funds and securities (other than immoveable property) in which a trustee is authorised to invest trust money by any Act of Parliament or by any Act of the Governor-General-in-Council and any securities of a Local Government or the Government of Ceylon;

(*ii*) such securities issued by State aided railways as have been notified by the Governor-General-in-Council under section 36 of the Presidency Banks Act, 1876* or may be notified by him under this Act in that behalf ;

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*XI of 1876.

(*iii*) debentures or other securities for money issued under the authority of any Act of a legislature established in British India by, or on behalf of, a district board;

(*iv*) goods which, or the documents of title to which, are deposited with, or assigned to, the Bank as security for such advances, loans or credits;

(*v*) accepted bills of exchange and promissory notes endorsed by the payees and joint and several promissory notes of two or more persons or firms unconnected with each other in general partnership; and

(*vi*) fully paid shares and debentures of companies with limited liability, or immovable property or documents of title relating thereto as collateral security only where the original security is one of those specified in sub-clauses (*i*) to (*iv*), and if so authorised by any general or special directions of the Central Board, where the original security is of the kind specified in sub-clause (*v*):

Provided that such advances and loans may be made, if the Central Board thinks fit, to the Secretary of State for India in Council, without any specific security;

(*b*) the selling and realisation of the proceeds of sale of any such promissory notes, debentures, stock-receipts, bonds, annuities, stock, shares, securities or goods which, or the documents of title to which, have been deposited with, or assigned to, the Bank as security for such advances, loans or credits or which are held by the Bank or over which the Bank is entitled to any line or charge in respect of any such loan or advance or Credit or any debt or claim of the Bank, and which have not been redeemed in due time in accordance with the terms and conditions (if any) of such deposit or assignment;

(*c*) the advancing and lending money to Courts of Wards upon the security of estates in their charge or under their superintendence and the realisation of such

advances or loans and any interest due thereon, provided that no such advance or loan shall be made without the previous sanction of the Local Government concerned, and that the period for which any such advance or loan is made shall not exceed six months;

(*d*) the drawing, accepting, discounting, buying and selling of bills of exchange and other negotiable securities payable in India, or in Ceylon; and, subject to the general or special directions of the Governor-General-in-Council, the discounting, buying and selling of bills of exchange, payable outside India, for and from or to such Banks as the Governor-General-in-Council may approve in that behalf;

(*e*) the investing of the funds of the Bank upon any of the securities specified in sub-clauses (*i*) to (*iii*) or clause (*a*) and converting the same into money when required, and altering, converting and transposing such investments for or into others of the investments above specified;

(*f*) the making, issuing and circulating of bank-post-bills and letters of credit made payable in India, or in Ceylon, to order or otherwise than to the bearer on demand;

(*g*) the buying and selling of gold and silver whether coined or un-coined;

(*h*) the receiving of deposits and keeping cash accounts on such terms as may be agreed on;

(*i*) the acceptance of the charge of plate, jewels, title-deeds or other valuable goods on such terms as may be agreed on;

(*j*) the selling and realising of all property, whether movable or immoveable, which may in any way come into the possession of the Bank in satisfaction or part satisfaction of any of its claims;

(*k*) the transacting of pecuniary agency business on commission;

(*l*) the acting as administrator, executor or trustee for the purpose of winding up estates and the acting as agent on commission in the transaction of the following kinds of business, namely :—

(*i*) the buying, selling, transferring and taking charge of any securities or any shares in any public Company ;

(*ii*) the receiving of the proceeds whether principal, interest or dividends, of any securities or shares ;

(*iii*) the remittance of such proceeds at the risk of the principal by public or private bills of exchange, payable either in India or elsewhere ;

(*m*) the drawing of bills of exchange and the granting of letters of credit payable out of India, for the use of principals for the purpose of the remittances mentioned in clause (*l*) and also for private constituents for *bona fide* personal needs ;

(*n*) the buying, for the purpose of meeting such bills or letters of credit, of bills of exchange payable out of India, at any usance not exceeding six months ;

(*o*) the borrowing of money in India for the purposes of the Bank's business, and the giving of security for money so borrowed by pledging assets or otherwise ;

(*p*) the borrowing of money in England for the purposes of the Bank's business upon the security of assets of the Bank, but not otherwise ; and

(*q*) generally, the doing of all such matters and things as may be incidental or subsidiary to the transacting of the various kinds of business hereinfore specified.

Part II.

Business which the Bank is not authorised to carry out or transact.

The Bank shall not transact any kind of banking business other than those specified in Part I and in particular—

(1) It shall not make any loan or advance—

(*a*) for a longer period than six months, or

(*b*) upon the security of stock or shares of the Bank, or

(c) save in the case of the estates specified in clause (c) of Part I, upon mortgage or in any other manner upon the security of any immovable property, or the documents of title relating thereto.

(2) The Bank shall not [except upon a security of the kind specified in sub-clauses (*i*) to (*iv*) of clause (*a*) of Part I] discount bills for any individual or partnership-firm for an amount exceeding in the whole at any one time such sum as may be prescribed, or lend or advance in any way to any individual or partnership-firm an amount exceeding in the whole at any one time such sum as may be so prescribed.

(3) The Bank shall not discount or buy or advance and lend, or open cash-credits on the security of any negotiable instrument of any individual or partnership-firm, payable in the town or at the place where it is presented for discount, which does not carry on it the several responsibilities of at least two persons or firms unconnected with each other in general partnership.

(4) The Bank shall not discount or buy, or advance and lend or open cash-credits on the security of any negotiable security having at the date of the proposed transaction a longer period to run than six months or, if drawn after sight, drawn for a longer period than six months :

Provided that nothing in this Part shall be deemed to prevent the Bank from allowing any person who keeps an account with the Bank to overdraw such account, without security, to such extent as may be prescribed.

Letter No. 257, dated 6th February 1930, from Chamber to the Central Banking Enquiry Committee.

My Committee consider the work before the Central Banking Enquiry Committee to be of immense national significance and importance. It is for the first time that such an influential and representative Committee has been appointed to go thoroughly and comprehensively into a question which forms one of the pillars of modern Commerce and Industries. It is because of this that my Committee would particularly urge the Central Banking Enquiry Committee, though it may be a presumption to do so, to concentrate their attention on four fundamental problems connected with

Banking in this country. They have no doubt that the Central Banking Committee must have in mind all the four questions to which a reference is made here, but they take this opportunity of emphasising the importance of all these four problems as they consider that over and above the importance which attaches to the questionnaire issued by the Central Banking Committee, both for themselves and for the Provincial Banking Enquiry Committees, there is a peculiar and deep importance attaching to the four issues mentioned by my Committee here.

2. The first is the necessity for reviving the system of Shroffs in those places from which it has disappeared, and strengthening it in those places where it is continued but with diminished prestige and influence. From times immemorial Shroffs have proved themselves a vital link in Indian trade, commerce and industry and agriculture, and my Committee consider it extremely unfortunate that the place which they once held as the very apex of all these came to be in time, through several causes, dislodged, and they have been criticised adversely in several quarters owing to the defective appreciation and realisation of the economic and financial problems pertaining to this country. My Committee have given their views regarding the strengthening of the Shroff system in their answer to the questionnaire of the Bombay Provincial Banking Enquiry Committee. They strongly hold that the Imperial Bank should not now be required to open any branches, but that wherever there is a necessity felt for such a branch that Bank should appoint an individual Shroff or a group of Shroffs where they can co-operate, to act as Agent or Agents to the Bank for purposes of carrying on its business in that particular locality.

3. My Committee are strongly of opinion that if the labours of the Central Banking Committee, begun under such good auspices, are to bear fruition, a Gold Standard and Currency should be introduced in the country as soon as possible. Without these it will not be possible to develop a good banking system in the country.

4. The third point is that indigenous insurance business should be developed and encouraged as much as possible and all that the Imperial Bank and the indigenous Banks can do to foster it should be done. My Committee have suggested restrictions on the

operation of non-Indian Insurance Companies and they hope that the Central Banking Committee will approve of such restrictions.

5. The fourth point is that there should be restrictions placed on the operation of non-Indian banks which have resulted in most of the export trade of the country being in the hands of non-Indian agencies. So far as the information of my Committee goes, non-national banks are not allowed in an advanced British Colony like Canada, and there is no reason why similar restrictions should not be placed on non-Indian banks working in this country. My Committee are referring to this in their reply to Question No. 5 (section III), where they have suggested several requirements which should be observed by foreign banks working in the country. They are of opinion, however, that any foreign bank which wants to operate in this country should be registered in Rupee capital with a majority of Indian directors and a majority of Indian shareholders. My Committee are sure if proper attention is paid to all these four points, it will mean much for the progress not only of Banking but trade and industries of the country.

6. In this connection, my Committee may be allowed to suggest that the Indianisation of the Imperial Bank should be more rapid and that the Chairman and majority of Directors should be Indians both on the Central and provincial Boards.

7. My Committee will now proceed to answer the questionnaire in detail.

I.—Industrial Banks and Credit facilities for India's main industries.

My Committee think that the time has now come for taking concrete steps for the formation of a Bank specialising in financing of industries in the country. The demand is being made for such an industrial bank for the last so many years, particularly during the last one decade. The Industrial Commission in this connection wrote thus :

> " 291. We are of opinion, therefore, that an industrial bank should possess a paid-upshare or debenture capital high in proportion to its total business; it should observe the usual precautions in not allowing too large a

share of its funds to be used for the benefit of any single interest or group of financially inter-dependent interests; its loans on plants, buildings and land should be carefully considered and should be limited in each case; the larger portion of its industrial business should be confined to the provision of working capital; it should provide initial capital with caution, at any rate during its opening years, and should not itself at first attempt to float companies, though it may advise and assist in other ways persons who propose to do so. The main factor of safety in an industrial bank is the judicious limitation of each class of business to its proper proportions."

The following remarks made by the Bombay Advisory Committee before the Industrial Commission will also be interesting :—

"We favour the establishment of a central industrial bank or similar organisation with a large capital and numerous branches, designed to afford financial support to industries for longer periods and on less restricted security than is within the power or practice of the existing banks, Such a bank would probably require a measure of Government support, but should not be brought under rigid Government control."

My Committee wish to suggest that in order to obviate any difficulties regarding the definition of the word 'Bank', the industrial bank may not be called as such but the Industrial Financing Corporation or Syndicate.

My Committee would like to suggest that in order to encourage private capital to come out for investment in the Industrial Corporation, which may not be considered as safe as an ordinary bank, Government should give a guarantee of some rate of interest on the share capital. This would obviate the necessity of Government having to find themselves the necessary finance. If such a guarantee of interest as was given to railway companies during the last century is given, it may be possible to start an Industrial Corporation with a capital of two to three crores. The liability on the State on account of interest charges will not exceed ten to fifteen lakhs even if all the schemes that the Corporation has financed

were to prove failures. It is not intended that the Corporation should find the whole finance for either fixed capital expenditure or for working capital nor is it intended that it should finance industries like the cotton textile industry or the jute industry which are already existing in the country. If a *bona fide* attempt were made however for a new industry or for an advance in the cotton textile or jute industry, the particular company concerned should be given financial facilities by the Corporation provided the technology and the personnel of the new enterprise is satisfactory. Government may well place some restrictions on the activities of the Industrial Corporation, *i.e.* :—

(*a*) Industrial Corporation must not be allowed to lend more than 10 per cent. of its capital to a particular industry;

(*b*) Not more than 10 per cent. of its capital should be allowed to be lent to a particular group;

(*c*) Not more than 10 per cent. of its capital should be allowed to be lent to a particular division of a province.

III.—Regulation of Banking.

Q. 1.—My Committee are not in favour of audit and examination of Banks' accounts by examiners other than as provided at present. The other questions do not, therefore, arise.

Q. 2.—My Committee are not in favour of any such restrictions.

Q. 3.—My Committee are of opinion that the use of the word "Bank" should be restricted and be used only by ordinary joint stock banks registered under the Indian Companies' Act, banks which carry on lending and borrowing business. My Committee may, however, say that they are not in favour of placing any restrictions on activities referred to in (*a*), (*b*) and (*c*) as long as these firms or companies do not call themselves banks.

Q. 5.—My Committee suggest that foreign banks should be required to take out a license for being allowed to do business in this country. Even banks which are working at present here should be required to take out a license. The period of such

license should be, say, three years and notice of six months at least should be given in case the license allowing the bank to do business here is to be cancelled or not to be renewed. The authority to issue, renew, or cancel such licenses should be vested with the Standing Finance Committee of the Government of India. These foreign banks should prepare a complete balance sheet of their Indian business in Form "F" and "G", as per specimen enclosed. In addition they should lodge their head office balance sheets with the Registrar of Companies and also with the Standing Finance Committee of the Government of India.

Q. 6.—No bank should be allowed to start business here unless 25 per cent. of its subscribed capital is paid up. My Committee also suggest that the total clean advances should not exceed their paid-up capital and the total advances against immovable property should also not exceed the paid-up capital. These restrictions should be considered to be in force for the first five years of the bank's existence.

Q. 12. My Committee are strongly of opinion that bank should be protected against unjust attacks on their stability. They reiterate here the views which they expressed in their representation to the Government of Bombay, dated 10th June 1924, an extract of the relevant portion of which is quoted below :—

> ....."I am directed to convey to you their (the Committee's) opinion that the object in view can be served by requiring the complainant to obtain a certificate from the Advocate General to the effect that there is a *prima facie* case before the complainant can institute proceedings against a Company."

IV.—Banking Education.

In connection with Banking education, the same is given, both in connection with the University degree and the practical diploma courses in local colleges. The students for the University B. Com. degree of Bombay can specialise in Banking, and for that the Sydenham College of Commerce provides the tuition, whereas in case of Certified Associates of the Institute of Bankers (C. A. I. B.), both of England and India, there are local facilities in colleges like the Davar's College of Commerce of Bombay, where teaching for

this practical diploma is being given since the year 1912. The other Universities also provide teaching in practical Banking Law, Economics and other subjects that form the curriculum for Banking education such as the University of Allahabad, Lucknow, Agra, etc. Similar institutions and schools also provide teaching in Senior Banking Certified courses, such as those by the Indian Merchants' Chamber and the London Chamber of Commerce in different centres in India. In Calcutta also, similar facilities are provided. The Local Indian Banks, such as the Imperial Bank of India, the Bank of India, Ltd., and the Central Bank of India, have been of late encouraging in some way young men trained in local colleges to join their staff with a view to obtain practical training side by side with their education for practical diploma courses of the Institute of Bankers. Thus, a scholar who studies for the Diploma of Certified Associate of the Institute of Bankers gets the advantage of attending the Bank during the day and learning practical work there, at the same time attending during early morning hours lectures at a local college. Unfortunately, the Exchange Banks as well as foreign Banks do not follow the excellent example of the indigenous Banks mentioned above. It is absolutely necessary for our young men to come in practical touch with Exchange business which they are at present unable to do owing to this factor.

The Indian Institute of Bankers which has just started work had done considerable good in formulating schemes of examination along the line of the Institute of Bankers of England. They have also started a Journal on the footing of the English Institute where they propose to get contributions by those interested in Banking problems and the journal is particularly to help young men who are trained for the profession of Banking.

In course of time, the Institute proposes to establish centres all over India and through them to carry on educative work on the same footing as the English Institute.

The Institute of Bankers of England has arrangements by which facilities are offered for lectures and discussions as well as library, which precedent is being followed by the Indian Institute.

Under this scheme, prominent men in the local Banking profession as well as economists and professors are asked to read

papers on subjects of their own specialisation thereby inviting and encouraging discussion among the younger members of the profession.

There is a good demand for young men trained in Banking in Indian Banks, particularly for those who have secured diplomas from the Institute of Banks as these diploma examinations are open only to those who are working in Joint Stock Banks, a regulation which ensures practical as well as theoretical training.

V.—General Banking Organisation and Money Market.

Q. 2.—There is no co-operation between indigenous Joint Stock Banks and other banks in India.

Q. 4.—The Bank rate should be steady and as low as possible.

Q. 8.—The principal reason why more capital is not invested in the expansion of the existing banks or the establishment of new banks is the want of adequate support by legislation against the flimsy and malicious attacks which are sometimes launched against banks.

Q. 15(*d*).—So far as my Committee are aware, excepting lending money against Government securities deposited with the Imperial Bank, nothing has been done.

Q. 17 *and* 18.—The Imperial Bank is at present, for all practical purposes, a Government Bank and enjoys as such extraordinary facilities at the hands of Government and naturally is capable of attracting to it public credit. Though the Imperial Bank is an institution owned by shareholders, it is allowed the enormous advantage of public funds and its shareholders reap the benefit of free Government balances to the tune of Rs. 7 to 8 crores. Armed with this and other advantages its direct competition with the indigenous joint stock banks and indigenous bankers becomes sufficiently formidable to scare the latter away from the banking field.

After the establishment of a Reserve Bank in India, the Imperial Bank should be made to rank as an ordinary indigenous bank. All restrictions with regard to business now imposed on it should be removed and it should divert its resources towards

financing the export and import trade of India which is now being monopolised by the foreign Exchange banks.

Besides being the depository of Government funds, it is the sole banker of many Railway companies, Port Trust and such other corporate bodies, and the principal Indian States also deposit their surplus with it. To encourage indigenous Joint Stock Banks of stability, say those with a capital and reserve of Rs. 2 crores and over, it is desirable that Government should recognise them as banks with whom Railway companies, States, and corporate bodies may deposit their funds. They should be entrusted with Government Treasury work and a portion of the Government's Savings Bank balances and Cash Certificate proceeds may be placed with them as term deposits.

FORM " G."

1. The Share Capital of the Bank is Rs. divided into shares of Rs. each.

2. The number of shares issued is . Calls to the amount of Rs. per share have been made under which the sum of Rs. has been received.

3. The Liabilities of the Bank on the were :—

	Rs.
(*a*) On Current Accounts, Call Deposits, Fixed Deposits and Savings Accounts.	
(*b*) Debts due to Banks, Agents and Correspondents	
(*c*) Debts due against part of Securities shown below	
(*d*) Bills payable and other sums due by the Bank.	
(*e*) Unclaimed Dividends and Rebate on bills Discounted	

4. The Assets of the Bank on that day were :—

Cash in Hand, at Banks and Bullion on Hand..

Government Securities .. ..

Cash Credits, Loans and Overdrafts .. ..

Bills Discounted .. ..

Bank Premises, land and Buildings, Office Furniture, Stamps, etc.

FORM " F "

LIABILITIES.

Capital :—

Authorised shares of Rs. each.

Issued and subscribed shares of Rs. each.

Paid up shares of Rs. each.

Amount received on shares forfeited.

Reserve Fund

Contingency Fund

Deposits :—

Current and Savings Banks Deposits.

Fixed Deposits including Savings Fixed Deposits.

Debts due to Banks, Agents and Correspondents.

Debts due to Banks, Agents and Correspondents secured by Bills and Investments *per Contra*.

Bills payable and other sums due by the Bank.

Unclaimed Dividends.

Rebate on Bills Discounted.

Branch Adjustments.

Acceptances for Customers :—As *per Contra*.

Bills for collection :—Bills receivable as *per Contra*.

Profit and Loss Account :—

Contingent Liabilities :—

FOR BANKS.

ASSETS.

Cash :—

Cash in hand.

Cash at Bankers.

Deposits at call and short notice.

Bullion on hand.

Investments :—

Government Loans, War Bonds and other Gilt-edged Securities at or under Market Rates.*

Debentures and preference shares of Joint Stock Companies.

Shares in Public Companies.

Loans and other Advances :—

Cash Credits, Demand Advances and Loans Bills Discounted and purchased.

Particulars required by Act VII of 1913 :—

(1) Debts considered Good and in respect of which the Bank is fully secured.

(2) Debts considered Good secured by the personal liability of one or more parties as under :—

(*a*) Debts due on Bills Discounted.

(*b*) Debts due on joint and several Pro. Notes.

(*c*) Debts due on Temporary Overdrafts, Demand Cash Credits, Personal Security, etc.

(3) Debts due by Directors and other Officers of the Bank, without Security.

(4) Debts due by Directors of the Bank jointly with other persons.

(5) Debts due by Directors of the Bank on Securities and considered Good.

* In case of the market rate is less than the book value, both valuations should be shown.

(6) Debts due by Joint Stock Companies guaranteed by their Agents, a Director of the Bank being a member of the firm of Agents.

(7) Debts considered bad or doubtful not provided for

Land and Building :—At cost.

Less :—Amount provided for in previous years.

Bank Premises :—At cost.

Less :—Amount already written off Customers for Acceptances *per contra.*

Bills receivable.

Other Assets :—

Office furniture and fittings.

Less :—Amount written off for Depreciation.

Stamps, Stationery, etc.

APPENDIX XLIX.

CURRENCY NOTE REFUND RULES.

Letter No. 70, dated 15th January 1930, from Chamber to the Government of India, Finance Department.

The Committee of this Chamber had drawn the attention of the Government of India in their communication dated the 18th January 1926, No. T-100, to the hardships and inconvenience which would result to the public in general and the business community in particular as the result of the amendment of the Currency Notes Refund Rules. These rules were despite the protests from several quarters made effective from 1st July 1927. One of the main amendments was to substitute the words Rs. 10 for the words Rs. 2½ in sub-rule (2), rule 5, of the Currency Notes Refund Rules, 1921. This amendment prevents people from getting anything for their mismatched notes of Rs. 5 and 10. Before July 1927, *i.e.*, before the amendment came into force, holders of mismatched notes were having their value sooner or later by handing them over to the Currency authorities, but the new amendment enables the Currency authority to impound mismatched notes of Rs. 10 and 5 and send away the depositor without payment as

before but with a bare receipt which is of no use whatsoever except perhaps to remind him of his loss. After the experience of the working of these new amendments to the Currency Notes Refund Rules, my Committee are in a position say that this amendment relating to notes of Rs. 5 and 10 is operating harshly upon the business community which has to handle these currency notes to a large extent. My Committee beg to request the Government of India to be pleased to revise this particular amendment and to arrange for payment to holders of mismatched notes of Rs. 5 and 10, after taking proper precaution the value of their notes. This may be done perhaps by making applicable amended Rule 9 to the case of Rs. 5 and 10 notes.

Letter No. D. 455-F, dated 4th February 1930, from the Government of India, Finance Department, to Chamber.

I am directed to acknowledge receipt of your letter No. 70, dated 15th January 1930, and to state in reply that the Government of India are not prepared to accept the suggestion of your Committee that the Currency Note Refund Rules should be amended so as to provide for the payment of mismatched notes of the value of Rs. 5 and Rs. 10. The amendments made in these rules in 1927 were intended to discourage the practice of cutting currency notes. As it was recognised that this practice was widespread and that it might cause considerable inconvenience if severe measures were adopted, the amendments were formed on conservative lines. The Government of India see no valid reason why notes of denominations of Rs. 10 and under should be cut and consider that any person who cuts such notes and does not take the trouble to join together the halves correctly or who receives such a note which has been cut and does not take the trouble to see that it is not mismatched, cannot reasonably complain if he is penalised for his carelessness.

Letter No. 2212, dated 25th July 1930, from Chamber to the Government of India.

Recently the Punjab National Bank, a member of the Chamber, lost an insured cover containing half Government Currency notes to the value of Rs. 10,000 and they have in this connection drawn the attention of my Committee to the Currency Notes Refund Rules. My Committee find that within 14 days from the

date of surrender of the half-notes 50 per cent. of the value of the notes is paid and the remaining 50 per cent. is payable after 5 years. My Committee would like to know whether since 1927 the rules governing the refund of notes have been changed and if not, they desire to point out that the period of 5 years is too long. It should be possible to reduce the period for 3 years, for Government should be able to ascertain the *bona fides* of the claim by them.

Letter No. D. 5099-F, dated 11th August 1930, from the Government of India to Chamber.

With reference to your letter No. 2212, dated the 25th July 1930, I am directed to inform you that the Currency Notes (Refund) Rules have not been changed since 1927. The period of 5 years to which you refer, has been in force for many years as regards notes lost or wholly destroyed, and when the rules were changed in 1927 so as to bring claims for full value on half notes on the same basis as lost or wholly destroyed notes, the period of 5 years was applied to claims for full value on half notes. The Government of India consider that this period is the least which should be prescribed. With reference to the Punjab National Bank case referred to by you, it appears that the Bank in sending half notes of the value of Rs. 10,000 by an insured cover did not insure the cover for the full value of the contents; otherwise it is not clear why the bank should have suffered any loss. If this assumption is correct, the Government of India suggest that you should call the attention of the Punjab National Bank to the risks of sending half notes through the post without insuring the covers containing them for the full value of their contents, pointing out that if they take this risk, they must be prepared to face any losses which may be involved.

APPENDIX L.

STANDARDISATION OF HUNDIS.

No. 654/611, dated 24th January 1930, from the Bombay Provincial Banking Enquiry Committee to Chamber.

I am desired to state that some of the witnesses before this Committee have suggested that it will be a great convenience if the different usages to which *hundis* are subject in different places

in the Province and sometimes in one and the same place are standardised and the same usages made applicable to all *hundis*. Difference now exists as regards various matters, *e.g.*, the days of grace, the date on which the *hundi* is to be encashed, etc. The point was prominently brought to the notice of the Committee by the representatives of the Buyers' and Shippers' Chamber, Karachi. The necessary extract from their oral evidence is enclosed herewith for the information of your Chamber.

This Committee will be glad to know if your Chamber is agreeable to the suggestion about standardisation and, if so, whether it would be possible for the bodies concerned to meet and devise some rules under which all these usages could be standardised. In that case, this Committee will be glad to know on what points in your opinion standardisation is required, and suggestions for the same.

Extract from the oral evidence of the representatives of the Buyers, and Shippers Chamber, Karachi :

Q. You say that the *hundis* should be standardised. In what way ? What is the present obstacle ?

Mr. Haridas Lalji : In every city and town there is different usage as regards :

(1) Time of the presentation of *hundis ;*

(2) Time of payment of *hundis ;*

(3) If a *hundi* is not honoured, for what time the merchant should keep it ?

(4) If it is honoured late, what would be the rate of interest ?

(5) Whether a *hundi* can be honoured on a holiday or not. In some places it is honoured, in other places it is not.

(6) If the *hundi* is not paid on a holiday, whether it should be on a day earlier or a day later;

(7) How many days of grace should be allowed. At some places three days and at other places five days are allowed;

(8) In case of *mudati hundis*, whether it should be paid on a particular day or a day later;

(9) In counting days again there is difficulty of calendars. Whether Gujarati date or English date should be counted;

(10) What should be the interest if the *hundi* is not honoured and returned back;

(11) What should be the rate of *nikraman shikraman*. Some charge Rs. 2 per cent. and some charge Rs. 2-8, while some do not charge;

(12) If a demand *hundi* is written off and if it goes in different towns and reaches the party late, who should be held responsible, if it is not presented at the time it ought to have been presented;

(13) Similarly if a *mudati hundi* is not presented at the proper time, but if it is presented on a subsequent day, who is responsible, and what should be the rate of interest;

(14) Usage of protesting *hundis*, if it is not honoured. The charge now is Rs. 7 for a *hundi* of Rs. 100 as well as for Rs. 1,000;

(15) If documentary *hundis* are not honoured, the rights of the writer of the *hundi* and of the *Shroffs* should be protected;

(16) If a *hundi* is lost, whether a duplicate or a triplicate. should be issued, and up to what time it should be given.

I have suggested that by co-operation of different Associations and Chambers, if one usage is started, it will be a facility.

Q. Are there different usages in one place ? In Karachi they are different.

Q. And the usages would be different amongst the same class of *shroffs* ? In Shikarpur it is the same ; in Karachi individuals usage is different.

The Chairman. Do you want all this to be standardised ?

Mr. Haridas Lalji: Yes.

Letter No. 652, dated 20th March 1930, from Chamber to the Bombay Provincial Banking Enquiry Committee.

The Committee of my Chamber have given careful consideration to the subject matter of your letter No. 65/4611 of the 24th January 1930. They feel that the suggestion to standardise the form of *hundi* is neither feasible nor practicable, as different systems exist in different places according to local conditions and practices. They are, therefore, of opinion that any such standardisation would not be suitable or practicable.

APPENDIX LI.

IMPERIAL BANK AND THE DECLARATION ASKED FOR WHILE OPENING ACCOUNTS.

Letter No. 979, dated 14th May 1930, from Chamber to the Secretary and Treasurer, Imperial Bank of India.

I am directed to send herewith copies of letters addressed to the Committee of this Chamber, drawing their attention to the declaration insisted upon by the Imperial Bank in respect of the property being personal, etc. The point raised is rather an important one, and my Committee will be much obliged if you will kindly let them know the reasons why it has been thought necessary to demand such a declaration.

Copy of a letter, dated 16th April 1930, from a member of the Chamber to the Secretary, Indian Merchants' Chamber, Bombay.

I enclose an application form for opening an account in the Savings Bank of the Imperial Bank of India.

If one is truthful and conscientious, one cannot put any amount in this account which is not self-acquired. If by chance or for the matter of convenience or necessity one has received a certain sum of money which is not self-acquired, he is debarred from taking advantage of the Savings Bank.

I feel that such a declaration must be a serious handicap to all conscientious people. I shall therefore be glad if your Committee also sees the necessity to write to the Imperial Bank of India drawing its attention to this and suggesting it the need of altering the wording of the declaration.

Copy of a letter, dated 16th April 1930, from a member of the Chamber to the Secretary, Indian Merchants' Chamber, Bombay.

When the Imperial Bank of India was approached by a certain private firm (which has one individual only as sole Proprietor) to open a Current Account in the Bank, the Bank desired to have the following declaration :

"The Secretary and Treasurer,

Imperial Bank of India, Bombay.

"I beg to inform you that all the money deposited in the Current Account standing in the name of in your books is the personal or self-acquired property of myself and is not the property of a joint Hindu family." We desire to point out that in a firm's current account, a firm may be depositing the money both self-acquired and personal as well as any balance or surpluses on hand due to loans, deposits in such firms or be the dividends as well as sums may be for the cheque or dividend warrants of friends and acquaintances sent into the Bank for mere collection.

We doubt how many firms who have their Current Accounts can honestly and conscientiously make such a declaration for all times. If therefore your Committee also see any flaw or defect in it, will you request the Bank to make suitable changes in the declaration form ?

Letter No. 1959, dated 19th May 1930, from the Imperial Bank of India, (Managing Governor) to Chamber.

We are in receipt of your letter No. 979 of the 14th instant with enclosures.

2. The declaration referred to by you is taken, when applicable, by the Bank as a safeguard against the possibility of the moneys in a deceased Hindu depositor's account being claimed as the property of a joint Hindu family under the Mitakshara School of Law. Such a declaration is not *insisted* upon and to avoid any misapprehension we are having it removed from the forms of application to open Savings Bank accounts. In future, Hindu depositors will be asked if they are prepared to sign the declaration on a separate form, as in the case of current accounts and fixed deposits.

3. The form received with your letter is returned herewith as desired.

Letter No. 1153, dated 29th May 1930, from Chamber to the Imperial Bank of India.

I beg to acknowledge, with thanks, the receipt of your letter No. 1959 of the 19th instant, the contents of which have been brought to the notice of my Committee.

APPENDIX LII.

CLAIMS OF HOLDERS OF RUSSIAN ROUBLES.

Press Communique, dated Delhi, 14th June 1930.

It is understood that His Majesty's Government have decided that claims from holders of Russian Roubles in India should not be submitted to the Russian Claims Department of the Board of Trade in future, but a record of them should be kept in India pending a decision whether such claims should be considered or not. The Chief Commissioner of Delhi is, accordingly, intimating holders of rouble notes to submit to his office all claims for record till further orders.

Letter No. 3054, dated 21st August 1930, from Chamber to the Chief Commissioner of Delhi.

Sometime back under heading " Claims of Indian holders and new procedures ", there appeared a communique asking that the claims of Russian Roubles in India should no longer be submitted to the Russian Claims Department of the Board of Trade but that a record of these be kept in India pending a decision whether such claims should be considered or not. My Committee would like to hear what are the possibilities of these claims being entertained in the near future.

The communique refers to Russian Roubles only and therefore the Roubles in currency. If your office has any information, will you let my Committee know what is the position as regards Roubles Loans, as they understand that there are large holders of these loans in this country. My Committee will be obliged by your giving such and other information as you would possibly give on the subject.

Letter No. 8149, dated 10th September 1930, from Chief Commissioner, Delhi, to Chamber.

In reply to your letter No. 3054, dated the 21st August 1930, regarding claims of Russian Roubles in India, I am directed to say that no more information is available in this office except what was contained in the communique referred to. The information now desired may be available in the Government of India, Foreign and Political Department, which Department might be addressed through the Bombay Government.

Letter No. 3216, dated 25th September 1930, from Chamber, to the Government of India, Foreign and Political Department.

The attention of the Committee of this Chamber having been drawn to an announcement in the Press that the Chief Commissioner of Delhi was registering claims of holders of Russian Roubles, they made an enquiry of the Commissioner whether there were possibilities of these claims being entertained in the near future. They also wanted information as to the prospects of repayment of Rouble loans. The Commissioner has directed them to write to you in the matter, and accordingly I am to request you to furnish my Committee with information on the queries referred to above.

Letter No. F. 60-X130, dated 6th October 1930, from the Government of India, to Chamber.

I am directed to acknowledge the receipt of your letter No. 3216, dated the 25th September 1930, and to state that His Majesty's Secretary of State for India has been addressed in the matter. A further communication will be made to you in due course.

Letter No. F. 60-X130, dated 17th January 1931, from Government of India, to Chamber.

In continuation of the letter from the Government of India in the Foreign and Political Department, No. F. 60-X130, dated the 6th October 1930, I am directed to state that it is the intention of His Majesty's Government to submit claims for rouble notes and rouble loans for the consideration of the Anglo-Soviet Debts Committee, and Indian claimants should therefore take steps to register their claims with the Local Government; but this must

not be taken to imply that such claims will necessarily be satisfied, either in whole or in part.

2. I am to add that it is not possible to make any forecast as to the result of the negotiations of the Anglo-Soviet Debts and Claims Committee now being held in London.

APPENDIX LIII.

AN EXPORT MUNICIPAL TAX OF FOUR ANNAS ON COTTON.

Letter No. 400, dated 19th December 1930, from Chamber, to the Government of Bombay, General Department.

The attention of the Committee of this Chamber has been drawn to the proposal made by the Municipal Corporation of Bombay to the effect in order to enable them to take over the City Improvement Trust, the Government of Bombay should furnish them with some further sources of revenue, one of the sources proposed for this revenue being a levy of 4 annas per bale of cotton exported from Bombay.

My Committee have considered this proposal and beg to protest against it. At the outset my Committee would like to draw the attention of Government to the representation addressed by them to the Government of Bombay on the 3rd November 1928 on the subject of the diversion of trade from Bombay to other ports. In that representation my Committee had exhaustively dealt with the question why the Port of Bombay had lost its ground in recent years in comparison with other ports. They had then arrived at the conclusion that the following among other causes were responsible for the diversion of trade from Bombay :—

(1) Heavy handling and other incidental charges.

(2) Heavy Port Charges.

(3) High Municipal and Governmental taxation.

Dealing with the situation of the cotton trade in Bombay, they had stated that the town duty, the ware-housing charges, the Port charges and other incidental charges were much higher than those prevalent at Karachi and that the principal heavy burden in the shape of the Town duty on cotton imported into Bombay had been greatly instrumental in deflecting Bombay's cotton trade to Karachi. It is now nearly two years since that representation was

made and as is evident from the statistics compiled by various authorities it is clear that the situation in the Cotton trade of Bombay has not improved at all, but on the contrary has grown from bad to worse. To add to the situation as it existed in 1928, a heavy trade depression has set in and has completely paralysed the trade and commerce of the City. Apart from the general effects of the trade depression which are felt all over the country, Bombay as an exporting centre has to bear a specially heavy share of the financial burdens necessitated by this depression. In these circumstances my Committee feel that any proposal to enhance the taxation at present borne by the cotton trade the chief trade of Bombay—if given effect to, would seriously endanger the position of Bombay as an exporting centre, and would give an artificial stimulus to the exports from the competing ports of Karachi, Okha and Bhedi Bunder. The exports of cotton from these ports have been steadily rising, while those from Bombay have registered a marked decrease during the last few years. The prosperity of the City of Bombay depends on the prosperity of the various trades carried on in the City of which the cotton trade is one of the principal. It is clear that the interests of a body like the Corporation of Bombay lie in the direction of increasing the trade of Bombay and not in any contraction thereof. Any taxation which would increase the burdens already borne by the trade of Bombay would result in a diversion of trade from this port to the other competing ports where the taxation and other charges are not so heavy. In these circumstances, my Committee desire to lodge their protest against the proposal of the Bombay Municipal Corporation to impose a levy of 4 annas per bale of cotton exported from Bombay and hope that the Government of Bombay will seriously consider this question in all its aspects and will not accord their sanction to any proposal which would threaten the position of Bombay as an exporting centre.

APPENDIX LIV.

PROPOSAL FOR THE ABOLITION OF UNIFIED STAMPS.

Letter No. 6293/E'28, dated 11th November 1930, from Chamber, to Government of Bombay, Revenue Department.

I am directed by the Governor in Council to forward a copy of the Government of India's letter C. No. 15-Stamps-30, dated

23rd October 1930 on the subject mentioned above and to request that the views of your Chamber on the proposal contained therein may be communicated to Government as early as convenient.

Copy of letter from the Government of India, Finance Department (Central Revenues) C. No. 15-Stamps-30, dated 23rd Octobear 1930.

I am directed to refer to Mr. Howard's letter No. 5041-Exc., dated the 11th September 1905, in which sanction was accorded to the introduction, with effect from the 1st October 1905, of unified stamps for postal and revenue purposes. The whole of the receipts realised from the sales of these stamps are credited to the Indian Posts and Telegraphs Department but in accordance with the orders issued in Finance Department letter No. F126-F, dated the 19th May 1925 as modified from time to time, assignments aggregating at present Rs. 47,95,000 per annum are made to the various provincial Governments in respect of the receipts derived from the sale of such of these unified stamps as are used for revenue purposes. These assignments are based on estimated receipts only.

2. As the accounts of the Posts and Telegraphs Department are now maintained on a commercial basis and increasing importance is being attached to their accuracy it is considered advisable that the credits received by the department on account of the receipts from the sale of stamps required for postal and telegraph purposes should, if possible, be based on actual facts, instead of an estimate as at present. The Director General, Posts and Telegraphs, has accordingly submitted a proposal that the separate revenue stamps which were in use prior to the 1st October 1905 should be reintroduced, postage stamps being reserved entirely for postal and telegraph purposes. The proposed revenue stamps could be placed on sale not only in every treasury, but also in every post office, and steps would be taken to ensure that the public would have as little difficulty in obtaining revenue stamps as in obtaining postage stamps.

3. I am accordingly to request that with the permission of His Excellency the Governor in Council the local Government after consulting the Chambers of Commerce and other public bodies and associations in Bombay will inform the Government of India whether they have any objection to the adoption of the proposal.

Letter No. 3779, dated 26th November 1930, from Chamber, to the Government of Bombay.

I am directed to acknowledge the receipt of your letter No. 6293-E/28 of the 11th November 1930. In reply I am directed to state that the Committee of this Chamber have no objection to the proposal contained in the letter of the Government of India, C. No. 15-Stamps/30, dated the 23rd October 1930.

APPENDIX LV.

AMENDMENT OF SECTION 61 OF THE INDIAN INCOME-TAX ACT,—QUALIFICATIONS OF INCOME-TAX CONSULTANTS.

Letter No. 1988-F, dated 24th May 1930, from the Government of Bombay, Finance Department, to Chamber.

I am directed to forward a copy of Government Resolution No. 1988, dated 22nd May 1930, with its accompaniments and to request the favour of the opinion of your Chamber on the subject as early as possible and in any case before the 15th July 1930.

Government of Bombay, Finance Department, Resolution No. 1988, dated 22nd May 1930.

Copies appended. Letter from the Government of India, Finance Department (Central Revenues), No. C. No. 207-I-T-30, dated 23rd April 1930, and its accompaniments.

Resolution.—Copies of the Government of India letter and of its accompaniments should be forwarded for favour of opinion to the following :—

The Indian Merchants' Chamber, Bombay, etc.

2. The Officers, Chambers and Associations should be requested to forward their opinion to this Government as early as possible before 15th July 1930 at the latest.

Letter No. C. 207-I. T./30, dated 23rd April 1930, from the Government of India, Finance Department, to all Local Governments.

I am directed to address the Local Government on the following subject :—

Section 61 of the Indian Income-tax Act, XI of 1922, runs as follows :—

'61. Any assessee, who is entitled or required to attend before any Income-tax authority in connection

with any proceedings, under this Act, may attend either in person or by any person authorised by him in writing in this behalf."

2. The Central Board of Revenue received numerous representations, both official and unofficial, to the effect that the lack of any restriction as to the classes of persons entitled to appear and represent assessees or others concerned in income-tax proceedings had led to grave abuses. It was represented that a class of persons had come into existence calling themselves "income-tax experts" amenable to no discipline and of whom many were devoid of any qualifications and many resorted to various objectionable practices.

3. With the object of remedying this unsatisfactory state of affairs, the following provision was included as Clause II in the Bill that has now passed into law as the Indian Income-tax (Second Amendment) Act, 1930 :—

"11. Section 61 of the said Act shall be numbered as sub-section (1) of section 61, and the following sub-section shall be added, namely :—

'(2) The persons authorised under sub-section (1) shall be restricted to the following, namely :—

(*a*) in any case,—

(*i*) a pleader,

(*ii*) a person qualified under sub-section (*i*) of section 144 of the Indian Companies Act, 1913, to be appointed or to act as an auditor of companies other than private companies ; or

(*iii*) an employee regularly employed in the service of the assessee ;

(*b*) in the case of an individual, a relative ;

(*c*) in the case of a Hindu undivided family,—an adult male member ;

(*d*) in the case of a company,—a director ;

(*e*) in the case of a firm,—a partner ; and

(*f*) in the case of any other association of individuals,—a member."

4. In regard to this the Select Committee wrote as follows :—

"*Old clause* 11.—This important clause related to restrictions to be imposed upon persons entitled to appear on behalf of others in Income-tax proceedings. Clearly the restrictions proposed went too far, and public opinion, on the whole, is strongly against them. We discussed at length various suggestions to achieve the object in view, namely, to exclude undesirables from practising before Income-tax Officers. We are agreed that some system of control, as by the licensing or registration of income-tax agents, is desirable, but we do not feel that we are in a position to formulate any definite scheme which would be certain to command general acceptance. In these circumstances, even if we could settle on a definite proposal, we should consider that it was necessary for it to be circulated for opinion. We therefore recommend that the various suggestions made in this Committee should be further considered by Government and that definite proposals should be formulated thereon and circulated for opinion before legislation is undertaken on this important subject. Accordingly, we have deleted Clause 11 and renumbered the remaining two clauses."

5. The Government of India have, therefore, prepared a tentative draft, enclosed herewith, of a fresh provision to be inserted as Section 61A in the Indian Income-tax Act and also of rules to be framed thereunder. They hope that something on these lines will afford a satisfactory solution of the problem which will not be open to the criticisms levelled against the earlier proposals. I am directed to request that the Governor-in-Council will favour the Government of India with an expression of his opinion on the subject and also to obtain and forward to the Government of India the opinions of the Hon'ble Judges of the High Court, of Chambers of Commerce and similar bodies representative of commercial opinion and of such selected officers and other persons as the Governor-in-Council may think fit to consult on the subject.

INCOME-TAX AGENTS.

Draft of proposed section 61A.

61A. (*1*) The Commissioner shall maintain a register to be called the register of Income-tax Agents.

Register of Income-tax Agents.

(*2*) Any person with the prescribed qualifications shall be entitled, on application to the Commissioner through the Income-tax Officer in whose area he resides and on payment of the prescribed fee, to be enrolled on the register :

Provided that, if an applicant has acted on behalf of any person in relation to any assessment and has been guilty in connection therewith of misconduct, shows that he is unfit to be an Income-tax Agent, the Commissioner may reject his application.

(*3*) Where an Income-tax Agent has, in the opinion of any Income-tax authority, been guilty of improper conduct as such agent, the authority may serve him with a notice, setting forth the misconduct and calling for an explanation therefor, and, except where the authority is the Commissioner, may thereupon forward a copy of the notice, with the Agent's explanation with such remarks as the authority may choose to make therein, to the Commissioner; and the Commissioner may suspend such Agent, pending further inquiry, if it appears that the Agent has been guilty of gross misconduct.

(*4*) The Commissioner shall make such further inquiry into the conduct of the Agent as he may think fit, and may acquit the Agent, or, after giving him an opportunity to be heard, may suspend him or direct that his name shall be struck off the register.

(*5*) An appeal shall lie against an order of the Commissioner under sub-section (2), or rejecting an application under sub-section (4) suspending or striking off the name of an agent. Such appeal shall be made in the prescribed form, within one month of the order appealed against, to the Commissioner and shall be heard by a Board of Inquiry.

(*6*) A Board of Inquiry may reverse the order of the Commissioner, or reduce the penalty imposed thereby.

(7) The Central Board of Revenue may make rules —

(*a*) prescribing the form of the register of Income-tax Agents and the manner in which it is to be maintained;

(*b*) prescribing the qualifications of persons entitled to be enrolled on the register;

(*c*) prescribing the fees for enrolment, and the annual fee, if any, to be paid by Agents for the retention of their names on the register;

(*d*) regulating the procedure of Income-tax authorities in all proceedings under this section;

(*e*) prescribing the form of appeals under this section;

(*f*) prescribing the constitution and procedure of Boards of Inquiry;

(*g*) regulating the grant of copies of entries in the register and prescribing the fees to be paid therefor; and

(*h*) providing for any other matter which the Board may deem necessary for carrying out the purposes of this section;

and such rules shall be subject to the provisions of sub-sections (4) and (5) of section 59.

DRAFT RULES FOR THE CONTROL OF THE INCOME-TAX AGENTS.

Every application for enrolment as an Income-tax Agent shall be accompanied by a fee of Rs. 10. An annual fee of Rs. 2 shall also be payable in every subsequent financial year in which the Agent's name is retained on the Register. The register shall be maintained in the Commissioner's office and shall be in Form A appended to these rules. It shall be published annually in the *Local Government Gazette* and all additions to or other alteratione in it shall be so published from time to time.

2. The following persons shall be eligible for Registration :—

(*a*) Any person who satisfies the Commissioner of Income-tax that he was regularly appearing to represent

assessees in Income-tax Offices before January 1st, 1930.

(*b*) Graduates of any University in India or in the United Kingdom.

3. A Board of Inquiry under sub-section (5) of section 61A of the Act shall consist of a Revenue Officer of rank not below that of Collector or Deputy Commissioner, nominated by the Local Government, the Registrar of Joint Stock Companies, and two persons engaged in business in the Province, nominated by the Associated Chambers of Commerce of India and Ceylon, and the Federation of Indian Chambers of Commerce respectively.

4. Should the Associated Chambers or the Federation fail to make such nomination after a period of six weeks has elapsed from the time when they were requested by the Central Board of Revenue to make it, the Central Board of Revenue shall itself nominate a person engaged in business in the Province to fill the vacancy due to such failure.

5. The non-official members of the Board shall hold office as such members for two years, and shall be eligible for re-nomination.

6. The Board shall elect its own Chairman who shall hold office as such Chairman for one year and shall be eligible for re-election.

7. Where the votes of the Members including the Chairman are equally divided the Chairman shall have a casting vote.

8. The Commissioner of Income-tax shall be entitled to be present in person or by Counsel at the hearing of any Appeal under Rule 6 and to be heard in support of his order.

9. An appeal to a Board of Inquiry against an order under sub-section (2) of section 61A refusing to register the appellant as a Revenue Agent shall be in Form B appended to these rules.

10. An appeal to a Board of Inquiry against an order under sub-section (4) of section 61A suspending a Revenue Agent or ordering his name to be struck off the rolls shall be in Form C attached to these rules.

FORM. A.

No. 1	Date of entry 2	Name of Agent. 3	Address. 4	Qualifications. 5	REMARKS. 6

FORM B.

To

THE BOARD OF INQUIRY.

Appeal under sub-section 5 of section 61A of the Indian Income-Tax Act (XI-22).

Name of Appellant_____

Address_____

Your Appellant applied to the Commissioner of Income-tax on for registration as an Income-tax Agent and paid the prescribed fee of

Your Appellant is duly qualified to be enrolled as an Income-tax Agent. His qualifications are as follows :—

The Commissioner of Income-tax by his order dated of which a copy is attached, refused to register the Appellant as an Income-tax Agent.

The Appellant therefore requests that this Board will be pleased to set aside the Commissioner's order and to direct that his name shall be entered in the Register of Revenue Agents for the reasons set forth below.

Grounds of appeal.

Certified that what is stated above is true to the best of my information and belief.

Date

_____

Signature.

FORM C.

To

THE BOARD OF INQUIRY.

Appeal under sub-section (4) of section 61A of the Indian Income-tax Act (XI-22).

Name of Appellant_____

Address_____

Your Appellant was an Income-tax Agent duly registered by the Commissioner of Income-tax
on

By his order dated of which a copy is attached, the Commissioner of Income-tax has Suspended the Appellant / ordered the Appellant's name to be struck off the rolls

The appellant therefore prays that the Commissioner's order may be set aside and that the suspension may be cancelled / his name may be restored to the register for the reasons stated below.

Grounds of appeal.

Certified that what is stated above is true to the best of my information and belief.

Date.

Signed.

Letter No. 3004, dated 11th August 1930, from Chamber, to the Government of Bombay, Finance Department.

With reference to your letter No. 1988-F, dated 22nd May 1930, I am directed to send to you hereby the views of my Committee on the proposed amendment.

Clause (1). The term " Income-tax Agents " in Clause (1) is misleading, It is likely to be misunderstood as meaning agents of income-tax authorities. The Committee suggest that the term " Income-tax Consultants " be substituted.

Clause (2). The Committee cannot agree to the procedure proposed that applications should be sent through the Income-tax Officer of the area in which the applicant resides. Applications should be received direct by the Commissioner.

Paragraph (2) should be amended so as to read : " Provided that if an applicant has acted on behalf of any person in relation to any assessment and has been *proved* guilty in connection therewith of misconduct which shows that he is unfit to be an Income-tax Agent, the Commissioner may reject his application.

Clause (3). The word " misconduct " should be defined.

Clause (5). The time allowed for appeal of one month is too short. It should be at least two months.

Clause (6). The Constitution and procedure of Boards of Enquiry should be incorporated in the Act itself, and the power of prescribing the same should not be left in the hands of the Central Board of Revenue. The Committee suggest that the Board should be constituted as under :

President : A Judge of a Civil Court.

Members : (1) Registrar of Joint Stock Companies.

(2) A member nominated by the Federation of Indian Chambers of Commerce and Industry.

(3) A member nominated by the Associated Chambers of Commerce.

Draft rules for the Control of Income-tax Agents :—

(1) An alternative of a lump fee of Rs. 50 is suggested.

(2) After 2 (*b*) the following should be added :—

Persons holding G. D. A. Diplomas.

Persons engaged as Accountants or Secretaries in responsible offices.

Holders of Diplomas in Accountancy from the Indian Merchants' Chamber or the London Chamber of Commerce.

(3) The Committee have already suggested the constitution of the Board to be incorporated in the Act.

Clause (7) Cases in which the punishment to the removal of the name of the offender is under consideration the decision shall not be by the casting vote.

APPENDIX LVI.

PROCEDURE ADOPTED FOR THE RECOVERY OF INCOME-TAX—CERTAIN GRIEVANCES.

Letter No. 3999, dated 18th December 1930, from Chamber, to the Commissioner of Income-Tax, Bombay.

I am directed by my Committee to write to you in connection with certain grievances of the Commercial community in connection with the procedure adopted for the recovery of Income-tax from them.

Re : *Appeals.* My Committee are informed that the appellate officers to whom the appeals for assessments are to be made, are in certain cases already pre-possessed as the Income-tax Officer consults these very appellate officers before he finally makes his assessments. This, my Committee would like to point out, is undesirable and should not be allowed, and appeals should in such cases be referred to other authorities and not to the authority previously consulted by the Income-tax Officer.

Re : *Examination of Accounts.* My Committee are informed that the practice at present followed by the Income-tax authorities in connection with the examination of accounts causes considerable hardship and inconvenience to the merchants. The cases received by the Chief Examiner of Accounts from the Income-Tax Officers

are distributed to his assistants only as and when these assistants have finished the work previously entrusted to them. No allotment is made as soon as the cases are received by him and this results in a great deal of unnecessary waiting on the part of an assessee who does not know when his case may be called out. It often happens that after a full day's waiting he is asked to come some other day. Then again the seating accommodation which is at present made for the subordinate examiners destroys that privacy in the examination of accounts which is so very essential. My Committee would suggest that instead of accommodating all the subordinate examiners in one hall, separate rooms should be provided for different examiners so as to ensure the maintenance of privacy.

Letter No. Adm. 374/30, dated 21st February 1930, from the Income-Tax Commissioner to Chamber.

In continuation of my above letter, I have the honour to state that after making the necessary enquiries, I can say that the complaint as regards hearing of appeals is not at all correct. Over 50 per cent. of the appeals lodged are successful and were the Assistant Commissioners prejudiced in any way beforehand, this would not be the result. Moreover, at the instance of higher authorities, I have already over three years back issued the necessary orders in the matter to all Income-tax Officers and Assistant Commissioners.

2. As regards examination of accounts, the present practice has been intentionally adopted as a result of past experience to prevent malpractices which were actually found to exist. For obvious reasons, it is our intention not to let an assessee know beforehand which Examiner is to examine his accounts and also to make each Examiner work directly under the eye of the Chief Examiner who is a highly paid gazetted officer specially appointed to see that the work proceeds on right lines. For these reasons, the present arrangement cannot be disturbed, I regret. However, having recently hired some additional accommodation for the Bombay Income-tax Offices, we are now going to make the Examiners sit at a greater distance than at present and this will make it impossible for men sitting before an Examiner to hear or see

what is going on before a neighbouring Examiner. This arrangement will, it is hoped, do away with the present complaint if it is borne in mind that in a vast city like Bombay, it will only be a very rare coincidence that two rivals in trade or persons interested in knowing something about each other's affairs, will go to the Income-tax Office to get their accounts examined on the same day and at the same time and before two Examiners sitting side by side. To minimise all chances of undesirable results on this account still further, the Chief Examiner has also orders to so arrange matters that no such coincidence might occur and he will pay special attention in case any objection on this account is lodged before him. As regards unnecessary delays too, the Chief Examiner, whenever he can possibly do so, will ask the assessee concerned to appear on the following day in any case in which there is no chance for his case being taken up that very day, though that is likely to happen rarely.

APPENDIX LVII.

INDIAN INCOME-TAX ACT—PERMISSIBILITY OF BAD DEBTS AT THE TIME OF ASSESSMENT.

Letter No. 3998, dated 18th December 1930, from Chamber, to the Government of India, Finance Department.

I am directed by my Committee to draw your attention to the fact that there is no Rule laid down under the Indian Income Tax Act for allowing bad debts of a firm to be written off or deducted from the income of the assessee in a particular year. At the interview, which my Committee had with Mr. A. R. L. Tottenham, Member, Central Board of Revenue, on the 13th September 1927, it was pointed out to him that even the proof that a Company or an individual had gone into liquidation or become insolvent was not considered by the Income Tax Authorities to afford sufficient justification for writing off as bad debts due by such Company or individual to the assessee. It was then agreed by Mr. Tottenham that such proof should ordinarily be considered sufficient and he promised to ascertain what the practice was and to issue necessary instructions. The existing practice has been found to work to the great disadvantage of the assessee as more often than not the Income-tax Officer is assumed to be the best judge as to whether the assessee should or should not write off

the bad debts of his debtors. My Committee, will therefore, be much obliged if the Government of India will give their due consideration to this matter and amend the law so as to remove this hardship.

Copy of Letter No. 960-I.T., dated 27th December 1930, from the Government of India to Chamber.

In reply to the letter quoted above I am directed to request that you will be so good as to explain in greater detail the nature of the amendment of the Income-tax Act that your Chamber consider desirable.

2. The Act does not, of course, refer specifically to bad debts, because it does not purport to set out a complete list of admissible deductions. It would be difficult, if not impossible, to compile such a list, and the detailed specification of admissible deductions in the Act is open to the objection that on the principle '*inclusio alterius est exclusio alterius*" it might be held that some omitted item that it had not been intended to exclude was excluded.

3. There is no doubt that the deduction of bad debts is legal, though they are not specifically mentioned in the Act. Even if they were mentioned in the Act, it would still be a question of fact whether a particular debt was bad and when it became so, and obviously in regard to such matters the assessing officer *must* be the " judge " subject to the appellate and revisional authorities. It would clearly not be possible to insert in the Act a provision to the effect that all sums due from an insolvent should be deemed to be bad debts.

Letter No. 327, dated 12th February 1931, from Chamber, to the Central Board of Revenue.

In reply to your letter quoted above I am directed by my Committee to suggest that the addition of the following sub-clause V. A. in clause 2, detailing allowances to be made while computing income-taxes, in section 10 of the Indian Income-tax Act, will meet the requirements of the case :—

> ' V A. in respect of loss arising out of bad debts in the year in which they are written off in the account as irrecoverable." '

My Committee hope that Government will be pleased to accept the above suggestion.

APPENDIX LVIII.

INCOME-TAX (PROVIDENT FUND) RULES

Income-Tax Notification, dated 4th January 1930.

No. 2.—The following draft of certain rules which the Governor General in Council proposes to make in exercise of the powers conferred by Chapter IXA of the Indian Income-tax Act, 1922 (XI of 1922), is published as required by sub-section (1) of section 58L, read with sub-section (4) of section 59 of the said Act for the information of all persons likely to be affected thereby, and notice is hereby given that the said draft will be taken into consideration on or after the 17th February 1930. Any objection or suggestion which may be received in respect of the draft before the date specified will be considered by the said Governor General in Council.

Draft Rules.

1. These rules may be called the Indian Income-tax (Provident Funds Relief) rules.

2. In these rules "section" means a section of the Indian Income-tax Act, 1922 (XI of 1922).

3. The contribution made by employees after the date of recognition of a provident fund and the interest on the accumulated balances of such contributions shall be wholly invested in securities of the nature specified in clause (*a*), (*b*), (*c*), (*d*) or (*e*) of section 20 of the Indian Trusts Act, 1882, and payable both in respect of capital and of interest in British India.

4. (1) Withdrawals by employees shall not be allowed by the trustees except on special grounds in the following circumstances of a similar nature—

(*a*) to pay expenses incurred in connection with the illness of a subscriber or a member of his family;

(*b*) to pay for the passage over the sea of a subscriber or any member of his family;

(*c*) to pay expenses in connection with marriages, funerals or ceremonies which by the religion of the subscriber it is incumbent upon him to perform and in connection with which it is obligatory that expenditure should be incurred ;

(*d*) to meet the expenditure on building or purchasing a house provided that such house is assigned to the trustees of the fund;

(*e*) to pay premia on policies of insurance on the life of the subscriber provided that the policy is assigned to the trustees of the fund.

(2) For the purposes of sub-rule (1) " Family " means the employee's wife, legitimate children and step children.

(3) No such withdrawal shall exceed (1) the pay of the employee for three months at the time when the advance is granted, or (2) the total of the accumulation of exempted contributions and exempted interest contained in the balance to the credit of the employee whichever is less.

(4) A second withdrawal shall not be permitted until the sum first withdrawn has been fully repaid.

5. The amount withdrawn shall except where the withdrawal was allowed for a purpose specified in clause (*d*) or (*e*) of sub-rule (1) of rule 4 be repaid in not more than 24 equal monthly instalments ;
and in all cases it shall bear interest in accordance with rule 6.

6. In respect of withdrawals which are repaid in not more than 12 monthly instalments, an additional instalment of 4 per cent. of the amount withdrawn shall be paid on account of interest ; and in respect of withdrawals which are repaid in more than 12 monthly instalments two such instalments of 4 per cent. of the amount withdrawn shall be paid on account of interest :

Provided, however, that at the discretion of the Trustees of the Fund, interest may be recovered on the amount withdrawn or the balance thereof outstanding from time to time at 1 per cent. above the rate which is payable for the time being on the balance in the fund at the credit of the member.

7. The employer shall deduct such instalments from the employee's salary, and pay them to the Trustees. The deductions shall commence from the second monthly payment made after the withdrawal or in the case of an employee on leave without pay from the second monthly payment made after his return to duty.

8. In case of default of repayment of instalments under rules 6 and 7, the Commissioner of Income-tax may at his discretion order that the amount of the withdrawal or the amount outstanding shall be added to the total income of the employee for the year in which the default occurs and the Income-tax Officer shall assess the employee accordingly.

9. (1) An application for recognition shall be made by the employer maintaining the fund for which recognition is sought and shall be accompanied by the following documents—

(*a*) the trust deed if any in original with one copy thereof, the latter to be retained by the Commissioner, and

(*b*) the rules of the fund.

Provided that if the original of the trust deed cannot conveniently be produced, it shall be open to the Commissioner of Income-tax to accept a copy certified by a Magistrate in lieu of the original in which case an additional copy shall be furnished for retention by the Commissioner.

(2) The application shall be submitted through the Income-tax Officer of the area in which the accounts of the funds are kept.

(3) The application shall contain the following information :—

(*a*) Name of employer and address, his business, profession, etc., also his principle place of business.

(*b*) Number of employees—

(i) in British India ;

(ii) in Indian States ;

(iii) outside India.

(*c*) Place where the accounts of the fund are or will be maintained.

(*d*) If the fund is already in existence—

(i) a copy of the last balance sheet of the fund, where such is maintained,

(ii) details of investments of the fund.

(4) A verification in the following form shall be annexed to the application.

Form of Verification.

$\frac{\text{I}}{\text{We}}$ the trustee(s) of the above named fund do declare that what is stated in the above application is true to the best of our information and belief, and that the documents sent herewith are the originals or true copies thereof.

10. Where an employee of a company owns shares in the company with a voting power exceeding ten per cent. of the whole of such power the sum of the exempted contributions of the employee and employer to the recognised provident fund maintained by the company shall not exceed Rs. 250 or at the discretion of the Commissioner Rs. 500, in any month.

11. If an employee assigns, or creates a charge upon his beneficial interest in a recognised provident fund, the Income-tax Officer shall, on the fact of the assignment or charge coming to his knowledge, give notice to the employee that if he does not secure the cancellation of the assignment or charge within two months of the date of receipt of the notice the consideration received for such assignment or charge shall be deemed to be income received by him in the year in which the fact became known to the Income-tax Officer and shall be assessed accordingly.

12. If the Commissioner withdraws recognition from a recognised provident fund, the balance to the credit of each employee at the end of the financial year prior to the date of the withdrawal of recognition shall be paid to him free of income-tax and super-tax at the time when such employee receives the accumulated balance due to him. The remainder of the accumulated balance due to him shall be liable to income-tax and super-tax as if the fund had never been recognised.

A. TOTTENHAM,
Joint Secy. to the Govt. of India.

Letter No. 410, dated 25th February 1930, from Chamber to the Central Board of Revenue.

My Committee have considered the draft Income-tax (Provident Fund Relief) Rules and have the following observations to make :—

(*a*) In rule 4 (*1*) sub-para. (*b*) after the words "to pay for the passage over the sea" the words 'or land" should be added. The Committee had made this suggestion to the Commissioner of Income-tax, Bombay, when their views on the provisional draft rules were invited.

(*b*) In rule 4, clause (2) the word "family" should be defined to include "parents, brothers and sisters" so as to meet the requirements of Indian conditions of family life.

(*c*) *Rule* 11. This rule provides for income-tax being levied on any consideration received by an employee against his assigning or creating a charge upon his beneficial interest in a recognised Provident Fund. Government may not be unaware that the system of taking advances against the security of one's provident fund from staff co-operative societies in times of need is in vogue and that this has considerably minimised the necessity for employees going to a money-lender and borrowing at a ruinous rate of interest. Under the proposed rule the benefit of the Act will be denied to the amounts of such assignments and will therefore be instrumental in making the employee run to the money-lender in times of need. My Committee recognise that there must be some restriction on an employee drawing against his provident fund, the very nature of which should be essentially that it should be a provision for one's family, but, withal, due consideration must be given to the fact that the employee should have facility in times of dire necessity to borrow against the security of his provident fund. My Committee, therefore, urge that rule 11 should be deleted.

APPENDIX LIX.

DEFECTS IN THE PROVISIONS OF THE PROVIDENT FUND RELIEF ACT.

Letter No. 593, dated 17th March 1930, from Chamber to the Central Board of Revenue.

The attention of my Committee has been drawn to an obvious anomaly in the provisions of the Indian Income Tax (Provident Fund Relief) Act, 1929. Section 58 E. provides for " the annual accretion " in any year to the balance at the credit of an employee participating in a recognised provident fund " being included in his total income for the year and being made liable to income-tax on the basis of that income. The result of this is that in some cases the beneficiary has to pay tax on his income, on which, but for this annual accretion, he is not liable to pay tax.

The point may be made clear by an example. The income of an employee drawing a salary of, say, Rs. 160, is not liable to tax, as his annual income is only Rs. 1,920. Supposing he participates in a provident fund, contributing 5 per cent. his employers contributing the like amount. His total income for the year under this section will be reckoned as Rs. 2,016 and he will be made liable to income-tax on this amount after deducting the aggregate contribution to the Provident fund, *i.e.*, he will be called upon to pay tax on Rs. 1,824. Thus it will be seen that under this Act, the beneficiary is called upon to pay tax on an income on which he used to pay nothing before.

Another aspect of this interpretation of his annual income to which, my Committee would like to draw your attention is, that a beneficiary being made liable to pay tax on his income including the employers' contribution presupposes his enjoying the employers' contribution. It is problematical whether an employee will enjoy the full benefits of such accretions to his provident fund, for he may have to leave the service of his employers before the stipulated period of service which will deprive him of the benefits of the employers' contributions and thus under this section he will have paid income-tax on the basis of an imaginary income.

My Committee are sure that your attention needs only be drawn to this defect to make you recognise the same and make the necessary amendments so as to remove this inequity.

Letter No. D. Dis. No. 189 (i) I.T.130, dated 21st March 1930, from the Central Board of Revenue to Chamber.

In reply to your letter quoted above, I am directed to say that the Government of India do not propose to take up the question of amending the newly introduced provisions of the Indian Income-tax Act relating to private provident funds at present.

No doubt they are not perfect, but taken as a whole, they represent a very substantial concession to the persons affected and it is desirable in the opinion of the Government of India to acquire experience of the working of the Act and Rules in practice before modifying them. Whenever the time comes to overhaul them in the light of such experience, the suggestions of your committee will be considered.

APPENDIX LX.

TARIFF ACT AMENDING BILL.

A

BILL

WHEREAS it is expedient further to amend the Indian Tariff Act, 1894, for the purposes herein, after appearing; It is hereby enacted as follows:—

Short title and commencement.

1. (*1*) This Act may be called the Indian Tariff (Amendment) Act, 1930.

(*2*) It shall come into force on such date as the Governor General in Council may, by notification in the *Gazette of India* appoint.

Amendment of the Second Schedule to Act VIII of 1894.

2. In the Second Schedule to the Indian Tariff Act, 1894, there shall be made the amendments specified in the Schedule to this Act

THE SCHEDULE.

(*See Section* 2.)

AMENDMENTS TO THE SECOND SCHEDULE TO THE INDIAN TARIFF ACT, 1894.

1. After Item No. 2, and under the heading "*II.—Raw materials and produce and articles mainly unmanufactured—*", the following heading and Item shall be inserted, namely:—

	"DYES AND COLOURS.
2A	BARKS for tanning."

2. In Item No. 9, after the words "calcium cyanamide", the words, "ammonium phosphates" shall be inserted.

3. In Item No. 12, sub-item (*a*) shall be omitted.

4. In Item No. 15, after the words "spraying machines" the words "powder-blowers, white ant exterminating machines," shall be inserted.

5. In Item No. 16,—

(*a*) for the words "DAIRY APPLIANCES", the words "DAIRY AND POULTRY FARMING APPLIANCES" shall be substituted.

(*b*) for the words "and butter workers" the following words shall be substituted, namely :—

"butter workers, milk-bottle fillers and cappers, apparatus specially designed for testing milk and other dairy produce, and incubators"; and

(*c*) for the words "dairy purposes" the words "dairy and poultry farming purposes" shall be substituted.

6. In Item No. 18,—

(*a*) after the words "SUGAR-MILLS", the words "SUGAR CENTRIFUGES, SUGAR PUG-MILLS," shall be inserted; and

(*b*) after the words "animal power" the words, "and pans for boiling sugar-cane juice" shall be inserted.

7. In Item No. 18C,—

(*a*) after the words "electrotype blocks", the words "process blocks and highly polished copper or zinc sheets specially prepared for making process blocks," shall be inserted;

(*b*) after the words "roller composition", the words "lithographic nap rollers," shall be inserted;

(*c*) after the words "and casting machines", the words "paper in rolls with side perforations to be used after further perforation for type-casting," shall be inserted; and

(*d*) for the words "and paging machines", the words "paging machines and clarified liquid glue," shall be substituted.

8. After Item No. 25A, the following Item shall be inserted, namely :—

"25B	PLANTS, living, all sorts."	

9. In Item No. 34A, after the words and brackets "(except in tablets)", the words "and other substances of a like nature or use to saccharine" shall be inserted.

10. In Item No. 43B, for the words "no core of which", the words "no core of which, other than one specially designed as a pilot core" shall be substituted.

11. After Item No. 53, the following Item shall be inserted, namely:—

"53A	APPARATUS for wireless telegraphs, designed either for transmission or reception whether by telegraphy or telephony; also component parts of such apparatus which are essential for its working and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose."

12. In Item No. 63, the words "and component parts thereof" shall be omitted.

13. In Item No. 85, for the words "gold and silver thread", the words "articles made of gold or silver thread" shall be substituted.

14. In Item No 90A, for the words "any one core of which" the words "any one core of which, not being one specially designed as a pilot core," shall be substituted.

15. After Item No. 90A, the following Item shall be inserted, namely :—

'90B	DOMESTIC REFRIGERATORS."	

16. In Item No. 101, after the word and figures "No. 23", the words and figures "and No. 138" shall be inserted.

17. The heading "GLASSWARE AND EARTHENWARE" and Item No. 131 shall be omitted; and Items Nos. 132, 133 and 134 shall be renumbered as Items Nos. 131, 132 and 133, respectively.

18. Under the heading "MISCELLANEOUS" and before Item No. 135, the following shall be inserted as Item No. 134, namely:—

"134. | BANGLES, beads and false pearls."

19. In Item No. 136, after the word "manufactured", words "not otherwise specified" shall be inserted.

The object of this Bill is to give effect to certain minor amendments which it is proposed to make in Schedule II to the Indian Tariff Act, 1894 (VIII of 1894). The more important proposals in the Bill are dealt with *seriatim* below. They are included in a separate Bill instead of in the Finance Bill, because they have not been made primarily with reference to the revenues of 1930-31.

1. *Barks for tanning.*—It is proposed to abolish the 15 per cent. duty on these barks, which are now included in Item No. 92, on the grounds that they are raw material of an important industry; that it is more economical to use wattle bark, which forms the bulk of the imported barks, than other tanning materials available in India; and that they are cheap and bulky and are entirely destroyed in the process of tanning hides and skins.

2. *Plants, living.*—In pursuance of a recommendation of the Royal Commission on Agriculture, living plants, which were liable to a duty of 15 per cent., have been exempted from duty by a notification under section 23 of the Sea Customs Act. It is now proposed to place this exemption on a statutory basis.

3. *Arms.*—Under the exception to the Second Schedule to the Arms Act of 1878 read with section 8 thereof, the appendages mentioned in this item were liable to the same duty as was leviable on firearms under Item 2 of the Tariff Act of 1875. The Tariff Act of 1875 was replaced by the Tariff Act of 1882 which took over from the Arms Act the Second Schedule and the exception thereto. The effect of this was to exempt these parts and accessories from duty altogether. This unintentional exemption has been

continued in successive Acts though these spare parts are rarely imported in the same case with a firearm. It is now proposed to omit item No. 12 (*a*) altogether.

4. *Poultry Farming Appliances—Incubators.*—It is proposed to amend the heading of item 16 so as to enable poultry farming appliances to be treated in the same way as dairy appliances and to remove the import duty of 15 per cent. on incubators by adding them to the list of appliances specified under that item as so amended. A consequential amendment is also proposed in the item.

5. *Pans for boiling sugar cane juice; sugar centrifuges and pug-mills and parts thereof.*—It is proposed to place these on the free list under Item No. 18 of the Import Tariff. This and the amendments referred to in Item 4 are proposed in accordance with the recommendation contained in paragraph 110 of the Agricultural Commission's Report.

6. *Saccharine (except in tablets) and similar substances.*—Saccharine (except in tablets) is now liable to a specific duty of Rs. 5 per pound under item No. 34A of the Import Tariff. It is now proposed to add to this item other substances of a like nature or use to saccharine so as to bring under it substances from which saccharine can readily be made, but which are at present subject to lower duties.

7. *Wireless apparatus.*—By a notification under section 23 of the Sea Customs Act, the import duty leviable on apparatus for wireless telegraphs designed either for transmission or reception whether by telegraphy or telephony, including their component parts, has been reduced to 2½ per cent. It is now proposed to incorporate the exemption in the statutory tariff.

8. *Insulated copper cables containing pilot cores of a sectional area of less than one-eightieth part of a square inch.*—These cables are liable to a duty of 15 per cent. *ad valorem* under Item 90A of the Import Tariff. By a notification under section 23 of the Sea Customs Act, however, they have been exempted from so much of this duty as is in excess of the duty (if any) to which they would have been liable if they had had no core of a sectional area of less than 1/80th part of a square inch. The effect of this exemption is to make them free, if they are insulated otherwise

than by rubber [*vide* Item 18A (5)] and to make them subject to a duty of 5 per cent. *ad valorem*, if they are insulated by rubber (*vide* Item 43B).

The reason for making the exemption is that the pilot cores only perform a subsidiary function and that it is the size of the power cores that should determine the question whether the cables should be assessed to duty under Item 90A or should enjoy privileged treatment under item 18A (5) or 43B. It is now proposed to place the exemption on a statutory basis.

9. *Domestic refrigerators.*—Certain kinds of refrigerators are operated by machines requiring more than ¼ brake horse power and are therefore free under Item No. 18A, while other competing types which are not so operated are assessed to duty under item No. 96. It has been represented that this manner of assessment gives undue advantage to one type of refrigerators over the others. As Item 18A was intended to encourage the importation of machinery representing fixed capital employed in productive industries and household refrigerators do not fulfil this condition, it is proposed to insert a new item (90B) so as to make all domestic refrigerators, without regard to the mode of operation, liable to duty at the general rate of 15 per cent. *ad valorem.*

10. *Bangles, beads and false pearls.*—It is considered that these articles, whatever the material of which they are made, should be treated alike and be subject to a duty of 30 per cent. *ad valorem.* It is accordingly proposed to omit Item No. 131 and the heading thereto and to Insert a new item under the heading "Miscellaneous" in the same part, namely, "Bangles, beads and false pearls."

11. The amendments are intended to come into effect from the seventh day after the Bill becomes law.

NEW DELHI; G. RAINY.
Dated the 7th February 1930.

D. O. Letter No. 495, dated 6th March 1930, from Chamber to Sir Purshotamdas Thakurdas, representative of the Chamber in the Legislative Assembly.

The Committee have considered the various Bills before the Assembly sent by you.

Regarding the Indian Lac Cess Bill (No. 5 of 1930), they accept the principle underlying the same.

Regarding the Steel Protection Bill (No. 8 of 1930), the Committee have no objection to the amendments proposed in the Schedule to the Indian Tariff Act, but in order to protect the interests of those who have already placed orders prior to the Notification of the Bill, changes proposed to items Nos. 62 and 150 relating to Steel Bar and Rod, etc., should come into effect only after three months from the date on which the Bill was published.

Regarding Bill No. 7 of 1930, amending the Tariff Schedule in various regards, they have no remarks to offer, except in the case of Clauses 17 and 18 of the amendments to the Schedule, which seek to delete item No. 131 and add a new item 134, and consequently making all bangles, etc, to be assessed at 30 per cent. The duty on celluloid bangles at present is 15 per cent. and the proposed increase in duty on an article used by the poor should be objected to. Therefore the Committee are opposed to the amendment proposed in para. 17 and the consequential amendment in clause 18.

APPENDIX LXI.

EQUILISATION OF THE EXCISE AND IMPORT DUTIES ON KEROSENE.

No.C.-19, dated 23rd April 1930, from the Secretary, Indian Chamber of Commerce, Calcutta, to Chamber.

I beg to send you herewith a copy of the letter addressed by my Committee to the Government of India in the Finance Department, on the necessity of equalising the import and excise duties on kerosine. My Committee think that it would help considerably if all the leading Indian commercial organisations addressed a similar representation to the Government of India as early as possible. I shall therefore feel obliged if you will be good enough to place this letter before your Committee for their consideration.

Letter No. C. 19, dated 17th April 1930, from the Indian Chamber of Commerce, Calcutta, to Government of India, Finance Department.

I am directed by the Committee of the Indian Chamber of Commerce, Calcutta, to address you in connection with the

promise made on behalf of the Government in the Indian Legislative Assembly to give relief to the smaller petroleum companies producing oil in India if it appeared that the raising of the Excise Duty adversely affected them. It was further stated that such relief could be given by the Government without the sanction of the legislature.

My Committee consider that the excise duty having been increased by the Legislature after full discussion, any step to alter or modify its effect should only be taken after previous consultation with the public bodies and particularly the Indian Chamber of Commerce and after obtaining the sanction of the Legislature as a result of open discussion therein of concrete proposals. Otherwise the effect of the Legislature's vote and decision can be destroyed by executive action on the part of the Government.

Moreover, any relief that may be sought or given can only be in the nature of protection. My Committee see no valid reason why protection should be given in this case without due and open enquiry by the Tariff Board before whom all interests can place all available material. This is all the more essential in this case because the Tariff Board, as the result of a recent enquiry, decided against the grant of protection and the President of the Tariff Board held that the Oil Companies were making huge profits by keeping the rate of Kerosene at a very high figure.

If the Government give assistance to producers of oil without a previous enquiry by the Tariff Board, it would amount to a supercession of the Tariff Board in this case. It is obvious that such a move will be of a dangerous characater. It cannot but give rise to allegations of a reacial bias *viz.* that British opinion in the country has only to make its demand known to Government to get compliance therewith. The way in which the last enquiry by the Tariff Board into the Kerosene question was precipitated is a matter of only recent history. On the other hand, to give one instance only, Indians cannot forget the prolonged agitation that had to be carried on to secure protection for the Textile Industry in which Indians are largely interested and even when protection was offered, it was mixed with Imperial Preference, a principle

which cannot find willing support from any Indian who has the interests of the country at heart.

My Committee have no hesitation in submitting to the Government that what is needed in the case of Kerosene in the interests of the public is the creation of an atmosphere in which healthy competition by foreign producers can be rendered possible and thus to make Kerosene available to the public at a reasonable rate. Such healthy competition can come into play by the equalisation of the excise and import duties—as also by the prevention of rate wars which are not designed to cheapen oil for the consumer but to drive out competitors and, having driven them, to charge the consumers excessive rates. If the local producers want to keep out foreigners, they should do so by constantly maintaining a rate at which the foreigners cannot find it profitable to export oil to this country. My Committee, however, do not desire in this representation to discuss the question of rate wars and how to prevent them.

My Committee hope that nothing will be done to minimise or undo the effect of the Legislature's vote for the professed object of assisting small producers without full and open enquiry. My Committee offer to render all possible assistance to Government in the holding of such an enquiry but they think that if Government will only make it known to interested parties that no steps will be taken without an open enquiry, there will be no application to the Government for the purpose.

My Committee take this opportunity to stress the necessity of equalising the excise and import duties. The Hon'ble Sir George Schuster in introducing the Budget for 1930-31 was pleased to remark that the reduction of the difference between the excise and import duties was only the first step. My Committee hope that he will in the next Budget be pleased to see his way to take the next step *viz.*, to abolish that difference altogether. My Committee may remind the Government that there is no risk of the Kerosene becoming dearer to the consumer as the result of such a step. Firstly, notwithstanding the fact that the excise duty has for several years been lower than the import duty, the price of Kerosene (except during the period of rate wars) has been maintained at a level higher than the rate at which Kerosene could be

imported into this country from the longest distance *in cases*, as will appear from the following :

	White Oil per case of 8 Imperial gallons.				Yellow Oil per case of 8 Imperial gallons.			
	Cents.	Rs.	a.	p.	Cents.	Rs.	a.	p.
Cost in America in cases, including 5% Commission for Agent and Insurance	126				106			
Freight	26				26			
	152	= 4	3	0	132	= 3	10	0
Import Duty (Including on tins)		1	6	6		1	6	6
Selling Agents' Commn. etc. ..		0	3	0		0	3	0
Loading and Unloading		0	2	0		0	2	0
Warehousing Charges		0	1	0		0	1	0
Other charges		0	4	6		0	4	6
Equal to Rs. ..		6	4	0 per case.		5	11	0

The selling price of White Oil has been Rs. 6-6-6 per two tins, and of Yellow Oil has been Rs. 5-14-6 per two tins. My Committee need hardly point out that if oil is imported in bulk, the cost would be less by about 10 cents *i.e.* Rs. 0-5-0 per unit. But it is not possible for a firm newly entering the market to establish bulk storage installations because they entail a heavy outlay of money, and the threat of the Burmah Shell Group to start a rate war keeps out any body trying to enter the Indian market. But if the Companies that operate here at present, increase the selling price of Kerosene, it will be noticed that very soon others will start importing oil in cases, and such competition will keep down the prices.

Secondly, having regard to the huge profits that the oil producers in India have been making they can easily pay increased excise duty out of such profits, while still leaving a big profit for the shareholders. It is clear that while the local oil producers do not need any protection, they are not likely to risk their profits by increasing the rates and giving an inducement to their competitors entering the market.

Thirdly, the simultaneous reduction in import duty will automatically act as a check against an increase in the rates. This point is so obvious that my Committee do not consider it necessary to dwell on it at any length.

My Committee have thought it desirable to stress the above facts as some members of the Assembly were wrongly misled into thinking that an increase in the excise duty may have the effect of increasing the price of Kerosene to the consumer. My Committee hope that such misapprehension will not deter the Government from completing the good work they have started. There being no protection recommended by the Tariff Board or granted by the Legislative Assembly as protection, the amount represented by the difference between the excise duty and the import duty becomes a kind of present to the local producers, and the duties should be equalised so that either the consumers may gain by reduction in price or the amount of the said difference may go to the Government for the benefit of the country as a whole. The amount is not inconsiderable. The total consumption of Kerosene in India is about 250 millions gallons of which about 150 millions are locally produced and about 100 millions are imported. If the excise duty be increased to 2 as. 3p. per gallon, Government will get additional revenue amounting to about 70 lacs of rupees. If the import duty be reduced to 1a. 6p. the consumers would gain to the extent of about 45 lacs of rupees because there is bound to be a reduction in the rates in that event. These calculations are made on the basis of the revised excise duty and import duty.

Letter No. 1181, dated 6th June 1930, from Chamber to the Government of India, Finance Department.

The Committee of the Indian Chamber of Commerce, Calcutta, have forwarded to this Chamber a copy of their representation to Government No. C. 19, dated 17th April 1930, on the subject of equalising the import and excise duties on Kerosene. The Commitee of my Chamber have considered this representation and find that there is considerable force in the request made by the Calcutta Indian Chamber regarding the necessity for equalising the import and excise duties. They, therefore, endorse the suggestion of the Calcutta Chamber to equalise the import and excise

duties on Kerosene, and trust that Government will accede to the said proposal.

Letter No. 141-T (77), dated 12th June 1930, from Government of India, to Chamber.

SUBJECT:—*Equlisation of the excise and import duties on Kerosene.*

I am directed to refer to your letter No. 1181, dated the 6th June 1930, addressed to the Secretary to the Government of India, Finance Department, on the above subject, and to say that the views of your Chamber are noted by the Government of India.

APPENDIX LXII.

INDIAN TARIFF BOARD—APPOINTMENT OF A SUCCESSOR TO SIR PADAMJI GINWALLA.

Letter No. 148, dated 25th January 1930, from Chamber to the Government of India, Commerce Department.

My Committee understand that Sir Padamji Ginvala, President of the Tariff Board, is likely to retire from his position shortly. My Committee have appreciated the fact that there have always been a majority of Indian members on the Board since its institution some years back. After the appointment of Sir Padamji Ginvala as President of the Board, it had an Indian President and an Indian majority—a principle which has always been urged by the Committee of this Chamber. My Committee now write to you to request the Government of India to be pleased to continue the observance of this principle and to have an Indian President and an Indian majority. They are strongly of opinion that the strength of the Board should not be reduced at all, and should be kept at three, as it has always been from the very beginning.

Letter No. 28-T (66), dated 1st February 1930, from the Government of India, to Chamber.

SUBJECT:—*Composition of the Tariff Board.*

I am directed to refer to your letter No. 148, dated the 25th January 1930, on the above subject, and to say that the views of your chamber are noted.

APPENDIX LXIII.

REFUND OF DUTY ON RE-IMPORTS OF PRECIOUS STONES.

Letter No. 423, dated 25th February 1930, from Chamber to the Collector of Customs, Bombay.

" The attention of my Committee has been drawn by an Indian Commercial Association in Paris to the difficulties at present experienced by exporters from India of rubies, saphires, emeralds, etc., etc. It appears that one of the conditions for exemption of these from the usual import duty on their imports into this country if they are not sold in Europe and sent back is that they must be returned back within a period of one year. These being articles of luxury merchants in Paris and other places cannot sometimes find a market for them within the period allowed. They have thus either to be sent back before a market can be found for them or if they are not sent back in time a heavy import duty is to be paid on them. My Committee are informed that this condition of one year is not uniform throughout the country as it is said that the Rangoon Customs Department allow a period of three years. My Committee will be much obliged if you will kindly let them know if there is such a difference with regard to this period of the importation of rubies, saphires, emeralds, etc., etc., to claim exemption from import duty, and if it will be possible for you to give the same latitude as the Rangoon Customs Department provided of the latter allow a period of three years.

My Committee are also informed that the above mentioned rebate is only allowed if these articles are shipped back from the place to which they were originally exported and that no rebate will be allowed if they are shipped back from any other place. Thus, for instance, they may have been sent originally to Paris and the merchants there sent them to London to find out purchasers. If they are then sent from London they are not considered eligible for getting the rebate. You will also kindly let my Committee know if it will be possible to extend the rule so as to include even such articles in the exemption of the Customs duty.

Letter No. R.S.R. 1121, dated 5th March 1930, from the Collector of Customs to Chamber.

In reply to your letter cited above, I have the honour to refer you to the Government of India, Finance Department, (Central

Revenues), Notification No. 29, dated 21st August 1926, reproduced as paragraph (22) on page 182 of the Indian Sea Customs Manual (1928 edition). The time limit for reimportation of goods not produced or manufactured in British India may be, and is, extended upto three years on sufficient cause being shown. Extension upto this period is permitted at this port in the case of precious stones also in similar circumstances.

2. As regards paragraph 2 of the letter under reply I would state that the goods are not debarred for the concession of free entry under the Notification mentioned if they are returned to India by a consignee other than the consignee to whom they were originally shipped.

APPENDIX LXIV.

TARIFF VALUATION FOR HIDES AND SKINS.

EXPORT TARIFF AS PROPOSED BY GOVERNMENT.

No. in Schedule III.	Names of Articles.	Per	Tariff Values.	Provisional rates for 1931.
			Rs. a. p.	Rs. a. p.
	HIDES AND SKINS.			
	RAW HIDES AND SKINS IF EXPORTED FROM ANY PLACE IN BRITISH INDIA OTHER THAN BURMA—			
	(1) *Arsenicated and-air dried hides*—			
	(*a*) Cows (including calf skins).			
	Framed ..	lb.	0 8 3	0 7 6
	Unframed ..	,,	0 5 3	0 4 9
	(*b*) Buffaloes (including calf skins).			
	Framed	,,	0 6 0	0 5 3
	Unframed ..	,,	0 3 6	0 3 3
	(2) *Dry salted hides*—			
	(*a*) Cows (including calf skins)	,,	0 5 0	0 4 9
	(*b*) Buffaloes (including calf skins)	,,	0 3 6	0 3 3
	(3) *Wet salted hides*—			
	(*a*) Cows (including calf skins).	,,	0 3 6	0 3 3
	(*b*) Buffaloes (including calf skins)	,,	0 2 3	0 2 0
	(4) Goat and kid skins	Piece	1 7 0	1 7 0
	(5) Sheep skins	,,	0 15 0	0 14 0

Letter No. 3867, dated 5th December 1930, from Chamber to the Director General of Commercial Intelligence and Statistics, Calcutta.

With reference to your letter No. 10164 of the 25th October 1930, I am directed by my Committee to forward to you hereby their suggestions in connection with the annual revision of tariff values of hides and skins.

My Committee have, in consultation with representatives of the parties interested in this line, considered the proposed tariff valuations of hides and skins, and they are of opinion that the values as proposed to be fixed by the Government of India are very low. My Committee are informed that even in spite of the depression in the hides market in London, it is not possible to secure hides and skins at the rates proposed to be laid down in the tariff schedules. They are also informed that the market for hides and skins is bound to improve in future, and they are, therefore, of opinion that this fact should be taken into consideration while fixing up the tariff valuations for the next year.

I am enclosing herewith a statement showing the rates which, in the opinion of my Committee, should be incorporated in the Tariff Schedules.

RAW HIDES AND SKINS IF EXPORTED FROM ANY PLACE IN BRITISH INDIA OTHER THAN BURMA.

Names of Articles.	Per	Proposed tariff values.
		Rs. a. p.
(1) *Arsenicated and air dried hides*—		
(*a*) Cows (including calf skins.) Framed	lb.	0 9 6
(*a*) Cows (including calf skins.) Unframed	,,	0 6 6
(*b*) Buffaloes (including calf skins). Framed	,,	0 7 0
(*b*) Buffaloes (including calf skins). Unframed	,,	0 4 3
(2) *Dry salted hides*—		
(*a*) Cows (including calf skins)	,,	0 6 6
(*b*) Buffaloes (including calf skins)	,,	0 4 3
(3) *Wet salted hides*—		
(*a*) Cows (including calf skins)	,,	0 4 6
(*b*) Buffaloes (including calf skins)	,,	0 3 3
(4) Goat and kid skins	Piece.	1 14 0
(5) Sheep skins	,,	1 3 0

APPENDIX LXV.

ANNUAL REVISION OF THE LIST OF COTTON PIECEGOODS.

Letter No. 94451C.I.C., dated 26th September 1930, from the Director General of Commercial Intelligence and Statistics to Chamber.

I write to invite a reference to the Resolution of the Government of India in the Finance Department (Central Revenues) No. 1, dated 4th January 1930, as amended subsequently (copy attached), and to enquire whether your Chamber has any modifications to suggest in the list of cotton piecegoods appended to that Resolution.

2. If your Chamber has any additions to the list to propose, I should be obliged if samples and full particulars of the goods concerned could be forwarded with the reply.

3. It would be convenient if proposals reach me not later than the 15th November next.

Finance Department (Central Revenues), Resolution No. 1 (Customs), dated the 4th January 1930.

With reference to the Resolution of the Government of India in the Department of Commerce, No. 5474, dated the 19th October 1922, and in supersession of the Resolution of the Government of India in the Finance Department (Central Revenues) R. Dis. No. 384-Cus.-I.-28, dated the 5th December 1928, as amended by Resolution R. Dis. No. 115-Cus.-I.-29, dated the 21st March 1929, the Government of India have decided to prescribe the appended list of cotton piece-goods for the assessment of import duty under No. 156-A in Schedule II attached to the Indian Tariff Act, 1894.

V. S. SUNDARAM,
Dy. Secy. to the Govt. of India.

List of Cotton Piece-Goods.

Aeroplane cloth (cotton).
Alhambras.
Angolas (cotton).
Apron cloth (cotton).
Austrias and Argentinas (cotton).

Bandage cloth (cotton).
Batistes (cotton).
Beaverteens (cotton).
Billiard cloth (cotton) in rolls.
Blankets (cotton).
Book-binding cloth.
Brilliants.
Brocades (cotton).
Brochè.
Buckram (cotton).

Calicoes.
Cambrics, plain, dyed or printed.
Cantoons.
Canvas (cotton).
Canvas, French elastic (cotton).
Casement cloth (cotton).
Cashmeres (cotton).
Cellular cloth.
Checks, spots and stripes.
Chiffons (cotton).
Chinese dyed cloths.
Chintz, glazed or unglazed.
Choonris.
Chadars.
Chadar-pattas.
Coatings (cotton) including gabardines.
Corduroy and corded cloth (cotton).
Cotton flakes.
Counterpanes, unhemmed (including unhemmed bed-spreads and unhemmed bed-covers).
Crapes (cotton).
Crash (cotton).
Crepons (cotton).
Cretonnes.
Crimps (cotton).

Damask, cotton, table.
Dawanies.
Delaines (cotton).
Delametti.
Denims.
Dhotis.
Diagonals (cotton).
Diapers (cotton).
Dimity.
Domestics.
Domettes (cotton).
Dorias.
Dosooti.
Dress, plain or printed (cotton).
Drills, plain, striped or checked.
Duck.
Dungari.
Dupettas.
Dusters (when joined by the warp).

Embroidered allovers.
Embroidered flounces.

List of Cotton Piece-Goods.—contd.

Fents (cotton) more than nine yards in length.
Filter cloth (cotton).
Finduras.
Flannelette (cotton flannel).
Frieze cloth (cotton).

Galateas.
Gambroons.
Gauze (cotton).
Ghagras (cotton).
Ginghams (cotton).
Glass cloths (when joined by the warp) (cotton).
Grenadines (cotton).
Gumchas.

Hair-cords.
Handkerchiefs (in woven pieces).
Harvards.
Holland and blind cloth (cotton).
Hollands (cotton).

Italians (cotton).

Jaconets, plain or bordered.
Jeans, plain, dyed or printed.

Lace curtain cloth.
Lace stripes.
Lambskins (cotton).
Lapets.
Lastings.
Lawns.
Lenos.
Limbrics (cotton).
Linenette (cotton).
Linings, plain, striped or mercerised.
Longcloths.
Lungis.
Lustres (cotton).

Madapollams.
Madras cloth.
Marcella.
Matte shirtings.
Matting (cotton).
Mattress cloth.
Meltons (cotton).
Mercerised cloth.
Merinos (cotton).
Merins.
Mexicans.
Moleskins (cotton).
Molleton cloth.
Morias.
Moreens (cotton).
Mulls, all kinds, plain or bordered.
Muslins (cotton), all kinds.

Nainsooks.
Net (cotton).
Nun's veiling (cotton).

Oatmeal cloth.

Pacalene, black (cotton).
Pagri cloth.
Penelope canvas.
Pillow calico, tubular.

List of Cotton Piece-Goods.—contd.

Piques.
Plumettiffs (cotton).
Plushette.
Pocketing (cotton).
Pompadour.
Pongees (cotton).
Poplins and Poplinettes (cotton).
Printed crepelle.
Prints.
Printers (plain and coloured).
Putsoes.

Quiltings (cotton).
Quilts.

Radium cloth.
Regattas.
Rep cloth (cotton).
Rugs (cotton), travelling.

Sail cloth (cotton).
Saris.
Sarongs.
Sateens, plain, dyed or printed.
Satinette.
Satin stripes (cotton).
Scarves (cotton).
Serges (cotton).
Shawls (cotton).
Sheetings.
Shirtings.
Silecia.
Silkette, plain or stripes.
Spanish stripes (cotton).
Sponge cloth (cotton).
Suraline.
Sussi cloth.
Suitings (cotton).
Swansdown calico.

Table covers, unhemmed.
Taffettas (cotton).
Tambours.
Tameins (unfinished).
Tanjibs.
Tapestries (cotton).
Tarlatans.
T cloths.
Ticking mattress or blind. (cotton).
Towels (cotton) in woven pieces and towel cloth including Terry cloth.
Tricot (cotton).
Trouserings (cotton).
Tulle (cotton).
Turbans (cotton).
Turkey red cloth.
Tussor cloth (cotton) and Tussorette.
Tweeds (cotton).
Twills (cotton), plain, dyed or printed.
Umbrella cloth (cotton).
Undershirt cloth (cotton).
Valencias.
Velvets (cotton).
Velveteen (cotton).
Venetian cloth (cotton).
Vestings or waist-coatings (cotton).
Voiles (cotton).
Zephyrs.

Letter No. 3784, dated 28th November 1930, from Chamber to the Director General.

Annual revision of the list of cotton piecegoods:

With reference to your letter No. 9445/C.I.C., dated the 25th September 1930, with its enclosure, on the above subject, I am directed to state that my Committee have no suggestions to offer with regard to the above list.

APPENDIX LXVI.

ALL-INDIA ACCOUNTANCY BOARD—BILL TO AMEND THE INDIAN COMPANIES ACT.

A Bill further to amend the Indian Companies Act, 1913,* *for certain purposes.*

WHEREAS it is expedient further to amend the Indian Companies Act, 1913, for the purposes hereinafter appearing; It is hereby enacted as follows :—

Short title and commencement.

1. (*1*) This Act may be called the Indian Companies (Amendment) Act, 1930.

(*2*) It shall come into force on such date as the Governor General in Council may, by notification in the *Gazette of India*, appoint.

Amendment of section 144, Act VII of 1913.

2. In Section 144 of the Indian Companies Act, 1913,†—

(*a*) in sub-section (*1*)—

(*i*) for the words " Local Government " the words " Governor General in Council " shall be substituted ; and

(*ii*) for the proviso the following proviso shall be substituted, namely :—

" Provided that a firm whereof the partners all hold such certificates may be appointed by its firm-

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* VII of 1913. † VII of 1913.

name to be auditor of a company, and may act in its firm-name ;"

and

(*b*) for sub-section (*2*) the following sub-sections shall be substituted, namely :—

" (2) The Governor General in Council may, by notification in the *Gazette of India* and after previous publication, make rules providing for the grant of such certificates and prescribing conditions and restrictions for the grant thereof.

(*2A*) In particular, and without prejudice to the generality of the foregoing power, such rules may—

(*a*) provide for the maintenance of a Register of Accountants entitled to apply for such certificates ;

(*b*) prescribe the qualifications for enrolment on the Register and the fees therefor ;

(*c*) provide for the examination of candidates for enrolment, and prescribe the fees to be paid by examinees ;

(*d*) prescribe the circumstances in which the name of any person may be removed from or restored to the Register ;

(*e*) provide for the establishment, constitution and procedure of an Indian Accountancy Board, consisting of such persons as the Governor General in Council may appoint, representing the interests principally affected or having special knowledge of accountancy in India, to advise him on all matters of administration relating to accountancy, and to assist him in maintaining the standards of qualification and conduct of persons enrolled on the Register ; and

(*f*) provide for the appointment of local accountancy boards at such centres as the Governor General in Council may select, to advise him and the Indian Accountancy Board on any matter that may be referred to them.

(2*B*) The holder of a certificate granted under this section shall, subject to any conditions or restrictions imposed by the certificate, be entitled to be appointed and act as an auditor of companies throughout British India."

Certificates granted before the commencement of this Act.

3. (*1*) All certificates granted by Local Government before the commencement of this Act entitling the holders, and all declarations made before the commencement of this Act by the Governor General in Council entitling the members of any specified institution or association, to be appointed and to act as auditors of companies throughout British India shall be deemed to be cancelled on the expiry of one year from the commencement of this Act:

Provided that the Governor General in Council may direct that any such certificate or declaration shall remain in force for a further period not exceeding one year.

(*2*) Persons holding restricted certificates granted by Local Governments before the commencement of this Act entitling them to act as auditors within a province may continue so to act, on such conditions as may be prescribed by the Governor General in Council in rules made by notification in the *Gazette of India* and after previous publication.

STATEMENT OF OBJECTS AND REASONS.

One of the main objects in passing the Indian Companies Act, 1913, was to ensure that the accounts of companies are properly audited, and Section 144 of the Act deals with the appointment and qualification of auditors. Under sub-sections (1) and (2) of this section, the Local Government is the statutory authority for the grant of certificates to persons entitling them to act as auditors of public companies and to make rules providing for the grant of such certificates. The proviso to sub-section (1) also empowers the Governor General in Council to declare that the members of specified institutions or associations shall be entitle to be appointed and to act as auditors of companies throughout British India.

The existing arrangements were not intended to be more than temporary and transitional. It is doubtful whether the provision

of Section 144 of the Indian Companies Act are in consonance with the classification of subjects under the existing constitution, and it is considered to be desirable that definite steps should now be taken to prepare a way for advance towards the ideal system of an autonomous association of accountants able to assume complete responsibility for the maintenance of the requisite standard of professional qualification, discipline and conduct of its members. Further, during the last few years a large increase has taken place not only in the number of joint stock companies in India, but also in the range of their activities, which frequently extend beyond the limits of a single province. Not only, therefore, is a high standard of professional qualification necessary but it is also necessary that this standard should be uniform throughout the country. With these objects in view the Government of India have caused the whole position to be re-examined and have prepared a comprehensive scheme, in consultation with Local Governments and commercial and other bodies interested. This scheme proposes to transfer the power to grant auditors' certificates and to make rules for the grant of such certificates from the Local Government to the Governor General in Council, and provides for the appointment of an Indian Accountancy Board, consisting of persons representing the interests principally affected or having special knowledge of accountancy, to advise the Governor General in Council on all matters concerning the grant of auditors' certificates and to assist him in maintaining the standards of qualification and conduct required of auditors. It also provides for the appointment of local accountancy boards at important centres for the purpose of advising the Indian Accountancy Board and the Governor General in Council on any matters that may be referred to them.

The object of the Bill is to take the necessary power to give effect to this scheme. The more important changes which it is proposed to make in the law are :—

(1) the substitution in Section 144 of the Governor General in Council for the Local Government as the statutory authority for granting auditors' certificates and for making rules for the grant of such certificates; and

(2) the abolition of the power to allow members of specified societies to act as auditors without certificates.

NEW DELHI, G. RAINY.

Dated the 5th February, 1930.

Letter No. 517, dated 8th March 1930, from Chamber to Sir Purshotamdas Thakurdas, representative in the Legislative Assembly.

The Law Sub-Committee of our Chamber, on which all the Accountant members of the Chamber were co-opted, considered carefully the Bill further to amend the Indian Companies Act, and wish to make the following suggestions :—

Clause 2 (*a*) (*ii*) :—The following proviso should be substituted for the proviso mentioned therein :

" Provided that a firm whereof a partner or partners holds or hold such certificate may be appointed by its firm name to be auditor of a company and may act in its firm name."

This suggestion is intended to obviate any firms' name being struck out just because it happens to have amongst its three or four or more partners one or two who are not qualified.

Clause 2 (2) (*a*) (*e*) :—Delete the words " consisting of such persons as the Governor General in Council may appoint." This amendment is made to secure an elective Board from the very beginning. It is feared that otherwise the Governor General may nominate for the first three years an Accountancy Board. We should therefore press for an elective Board.

Clause 3 (1) : Add to the proviso the following words :

" And provided that the present holders of such certificates and members of the exempted societies are granted *ipso facto* the certificate by the Governor General in Council."

This is to ensure that the present holders of certificates are not eliminated from any future Registers.

The above changes are suggested by the Sub-Committee. They will be placed for formal acceptance before the Committee at their next meeting on Wednesday, but there will be no difficulty

in the way of their acceptance, and you can therefore take them as the views of the Committee. I am sending them on to you as otherwise the letter might be reaching you too late.

Bill as amended by the Select Committee.

LEGISLATIVE ASSEMBLY.

We, the undersigned, members of the Select Committee to which the Bill further to amend the Indian Companies Act, 1913, for certain purposes, was referred, have considered the Bill and have now the honour to submit this our Report, with the Bill as amended by us annexed thereto.

2. *Clause* 2.—We have added to proposed Section 144 (2), a provision that the rules should provide for renewal and cancellation of certificates. At the same time we have deleted the reference to conditions and restrictions from proposed Section 144 (2B) which as it stood might have been interpreted as authorising territorial restrictions which we consider undesirable.

We have also inserted a proviso to the effect that certificates shall not be withheld merely because the applicant is not a regularly practising accountant. We do not consider that an otherwise qualified accountant should be debarred from auditing accounts simply on the ground that accountancy is not his sole occupation.

We are agreed that the first members of the Central and Local Advisory Boards should be nominated by the Governor General in Council for a fixed period. We consider, however, that, on reconstitution, the Boards should contain a progressively increasing elected element. We have accordingly made slight amendments in proposed Section 144 (2A) (*e*) and (*f*) in order to render this possible.

Clause 3.—We consider that, in addition to the temporary safeguard afforded by this clause to persons entitled under the existing law to audit accounts, they should be entitled, on payment of the usual fee, to enrolment in the proposed register of accountants and have provided accordingly. This amendment will not exempt such persons from liability to removal from the register for misconduct, etc.

3. The Bill was published in the *Gazette of India* of the 15th February 1930.

4. We think that the Bill has not been so altered as to require republication and we recommend that it be passed as now amended.

B. L. MITTER.
G. RAINY.
N. C. KELKAR.
HARBILAS SARDA.
FAZAL I. RAHIMTULLA.
HUGH G. COCKE.
R. K. SHANMUKHAM CHETTY.
S. C. MITRA.

6th March 1930.

[AS AMENDED BY THE SELECT COMMITTEE]

[Words printed in italics indicate the amendments suggested by the Committee.]

A Bill further to amend the Indian Companies Act, 1913, *for certain purposes.*

WHEREAS it is expedient further to amend the Indian Companies Act, 1913, for the purposes hereinafter appearing; It is hereby enacted as follows :—

Short title and commencement.

1. (*1*) This Act may be called the Indian Companies (Amendment) Act, 1930.*

(*2*) It shall come into force on such date as the Governor General in Council may, by notification in the *Gazette of India*, appoint.

Amendment of Section 144, Act VII of 1913.

2. In Section 144 of the Indian Companies Act, 1913,†—

(*a*) in sub-section (*1*),—

(*i*) for the words "Local Government" the words "Governor General in Council" shall be substituted; and

* VII of 1813. † VII of 1913.

(*ii*) for the provisio the following provisio shall be substituted, namely :—

" Provided that a firm whereof the partners all hold such certificates may be appointed by its firm-name to be auditor of a company, and may act in its firm-name "; and

(*b*) for sub-section (*2*) the following sub-sections shall be substituted, namely :—

" (*2*) The Governor General in Council may, by notification in the *Gazette of India* and after previous publication, make rules providing for the grant, *renewal or cancellation* of such certificates and prescribing conditions and restrictions for *such grant, renewal or cancellation :*

Provided that nothing contained in such rules shall preclude any person from being granted a certificate merely by reason that he dose not practise as a public accountant.

(*2A*) In particular, and without prejudice to the generalty of the foregoing power, such rules may—

(*a*) provide for the maintenance of a Register of Accountants entitled to apply for such certificates ;

(*b*) prescribe the qualifications for enrolment on the Register and the fees therefor ;

(*c*) provide for the examination of candidates for enrolment, and prescribe the fees to be paid by examinees ;

(*d*) prescribe the circumstances in which the name of any person may be removed from or restored to the Register ;

(*e*) provide for the establishment, constitution and procedure of an Indian Accountancy Board, consisting of persons representing the interests principally affected or having special knowledge of accountancy in India, to advise him on all matters of administration relating to accountancy, and to assist him in maintaining the standards of qualification and conduct of persons enrolled on the Register ; and

(*f*) provide for the *establishment constitution and procedure* of local accountancy boards at such centres to as the Governor General in Council may select, advise him and the Indian Accountancy Board on any matter that may be referred to them.

(2*B*) The holder of a certificate granted under this section shall be entitled to be appointed and act as an auditor of companies throughout British India."

Certificate granted before the commencement of this Act.

3. (*1*) All certificates granted by Local Governments before the commencement of this Act entitling the holders, and all declarations made before the commencement of this Act by the Governor General in Council entitling the members of any specified institution or association, to be appointed and to act as auditors of companies throughout British India shall be deemed to be cancelled on the expiry of one year from the commencement of this Act:

Provided that the Governor General in Council may direct that any such certificate or declaration shall remain in force for a further period not exceeding one year:

Provided further that the person to or in respect of whom any such certificate or declaration which was in force immediately before the commencement of this Act has been granted or made shall, on payment of any fee prescribed under clause (c) *of sub-section* (2*A*) *of Section* 144 *of the Indian Companies Act,* 1913*, *be entitled to enrolment on the Register of Accountants referred to in that sub-section.*

(*2*) Persons holding restricted certificates granted by Local Governments before the commencement of this Act entitling them to act as auditors within a province may continue so to act, on such conditions as may be prescribed by the Governor General in Council in rules made by notification in the *Gazette of India* and after previous publication.

APPENDIX XLVII.

BOMBAY COTTON CONTRACTS ACT, 1922.

No. L/659-D, dated 19th December 1929, from the Government of Bombay, Finance Department, to Chamber.

I am directed to forward herewith a copy of a Bill to repeal the Bombay Cotton Contracts Act, 1922, proposed to be

* VII of 1913.

introduced by Mr. J. C. Swaminarayan, M.L.C., at the next session of the Legislative Council, together with copies of the Statement of Objects and Reasons and the covering letter, dated 28th November 1929, and to request that Government may be favoured with the views of your Chamber on the Bill, with the least possible delay.

Letter from J. C. Swaminarayan, M. L. C. to the Secretary, Legislative Council, Bombay.

I send herewith a copy of a Bill to repeal the Bombay Cotton Contracts Act XIV of 1922. I propose to take leave of the House to introduce that Bill in the ensuing Session of Bombay Legislative Council. I have appended herewith a copy of the previous sanction of the Governor General. A statement of objects and reasons is also appended. So please take notice of the same and acknowledge the receipt.

A Bill to repeal the Bombay Cotton Contracts Act XIV of 1922.

WHEREAS it is expedient to repeal the Bombay Cotton Contracts Act XIV of 1922 and whereas the previous sanction of the Governor General under section 80A (*3*) of the Government of India Act has been obtained for the passing of this Act; it is hereby enacted as follows:—

1. This Act may be called the Bombay Cotton Contracts Repeal Act of 193 .
2. Bombay Cotton Contracts Act XIV of 1922 hereinafter called the said Act is with effect from 31st December 1930 hereby repealed.

STATEMEMT OF OBJECTS AND REASONS.

The Bombay Cotton Contracts Act, 1922, was passed as a temporary measure for a period of three years, in view of the fact that the previous measures, *viz*: the Bombay Cotton Contract Control (War provisions) Act I of 1919, which were War provisions should not be relaxed altogether as the conditions of trade had not settled down.

Section 1·(2) of the said Act of 1922 provided that after the said period of three years the said Act was to remain in force for such period as the Governor in Council may by notification direct

By a notification No. 4331-24, dated 14th December 1925, the Governor in Council was pleased to direct that the said Act was to remain in force for a further period of five years and whereas the conditions which rendered the necessity of the passing of the said Act no longer exist and whereas the trade in general now no longer requires the control vested in the East India Cotton Association, Limited, referred to in the said Act as the said Association, therefore, it is sought to repeal the said Act XIV of 1922 by this Bill.

Letter No. 195, dated 30th January 1930, from Chamber to the Government of Bombay.

I am directed to send hereby views of my Committee in reply to your letter No. L-659-D, dated 19th December 1929, on the above subject:

My Committee are opposed to the Bill under reference and are of opinion that the Government of Bombay will be pleased to enact a new Cotton Contracts Act when the present act expires in December of this year with such modifications as may be deemed necessary. If the Act is repealed, the Cotton trade will, they fear, be in a state of chaos.

Letter No. 7745-D, dated 13th February 1930, from the Government of Bombay, to Chamber.

I am directed to state that the Bombay Cotton Contracts Act, 1922, will expire in December of this year and to enquire whether, in the opinion of your Chamber, it should be continued and, if so, for what period.

2. If your Chamber wish to advocate any modification of the present statute it is desirable that Government should be in possession of its views as early as possible.

Letter, dated 31st March 1930, from the Government of Bombay, to Chamber.

In letter No. 7745-D, of the 13th of February 1930, Mr. Freke wrote asking your opinion regarding the extension of the Bombay Cotton Contracts Act. I am given to understand that, as trading in next year's contracts will commence on May first, it is desirable that Government should give some notice of their inten-

tions. I have not yet received replies from all those consulted, but as Government is about to move from Bombay I shall be glad if your Chamber will send a representative (or not more than two representatives) to meet me and discuss the question informally on Thursday, the 3rd of April, at 3 p.m. in the Committee Room in the Secretariat. I regret to give you such short notice but hope your representative will be able to attend.

Letter No. 726, dated 2nd April 1930, from Chamber to Government of Bombay.

I am directed to acknowledge the receipt of your letter of the 31st March 1930. My Committee have nominated Sir Chunilal V. Mehta and Mr. Lalji Naranji, M.L.C., to attend as their representatives the meeting convened by you regarding the extension of the Bombay Cotton Contracts Act. I am further directed to request you to be good enough to change the time of the meeting, if possible, to 4-0 p.m. on the 3rd instant instead of 3-0 p.m. as fixed by you.

Press Note, dated 15th April 1930.

After consultation with representatives of the Associations interested in the administration of the Cotton Trade, Government have decided in the general interests of the Trade, to extend until August 31st, 1931, the operation of the Bombay Cotton Contracts Act.

In view of criticisms that have been made of certain details of the Act as administered Government have under consideration the appointment of a Committee to make recommendations for the amendment of the Act; and it is hoped that if any amendments are found necessary it will be possible to carry through the required legislation before the expiry of the extended period.

Press Note, dated 17th June 1930.

With reference to the Press Note published on the 15th of April last relating to the extension of this Act until August 31st, 1931, the Government of Bombay have now decided to appoint the following Committee to consider the working of the Act and to make recommendations for its amendment :—

Mr. G. Wiles, C.I.E., I.C.S. (*Chairman*), Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E., Sir Joseph Kay, Kt., Mr. H. P. Mody, Mr. W. Lamond, Mr. Hirachand Vane.

chand Desai, Mr. A. Fotiadi, Mr. Parshotam Jivandas, Mr. Kishan Prasad, Mr. Shivpratap Joshi, Mr. Begra Gupta, Mr. Durgadutt Sawalkar, Rao Bahadur B. R. Naik and Rao Saheb C. S. Shirhatti.

The terms of reference will be as follows :—

(i) To examine the working of the Cotton Contracts Act of 1922, with particular reference to the constitution of the East India Cotton Association therein approved ;

(ii) to consider whether any addition to the present activities of the Association should be embodied in the constitution ;

(iii) to consider whether any of the bye-laws made by the Board and sanctioned by the Governor in Council have acted to the detriment of the Trade or any section of the Trade ;
and to make recommendations.

The first meeting of the Committee will take place on Monday, the 23rd June. Any person or Association wishing to make any representation or to give evidence before the Committee is requested to address the President at the Secretariat, Bombay.

APPENDIX LXVIII.

INDIAN RELIGIOUS PICTURES TRADE MARKS (PREVENTION) BILL.

Letter No. 7966-D, dated 25th March 1930, from Government of Bombay, Finance Department, to Chamber.

I am directed to forward a copy of Government Resolution No. 7966, dated 25th March 1930, and to request the favour of the opinion of your Chamber on the provisions of the Bill by the 5th May 1930 *at the latest.*

THE INDIAN RELIGIOUS PICTURES TRADE MARKS (PREVENTION) BILL.

RESOLUTION No. 7966. GOVERNMENT OF BOMBAY, FINANCE DEPARTMENT, DATEED 25TH MARCH 1930.

Letter from the Government of India, Legislative Assembly Department, No. F. 124-I/28-A, dated 6th March 1930.

RESOLUTION.—The Bill together with the Statement of Objects and Reasons should be forwarded for opinion to the following :—

The Commissioner in Sind. The Secretary, Indian Merchants' Chamber, Bombay, etc. and they should be requested kindly to forward their replies (in duplicate) to Government by the 5th May 1930 *at the latest.*

2. The Bill together with the Statement of Objects and Reasons should also be forwarded to the Manager, *Government Central Press*, Bombay, for publication in the *Bombay Government Gazette* and to the Commissioner in Sind for publication in the *Sind Official Gazette.*

3. The Bill and the Statement should be translated into Marathi, Gujarati and Kanarese and into Sindhi and the translations should be published in the *Bombay Government Gazette* and the *Sind Official Gazette*, respectively.

4. The dates of the various publications should be reported to Government.

Extract from the Legislative Assembly Debates, Vol. I, No. 10,

The Assembly met in the Assembly Chamber of the Council House, New Delhi, on Wednesday, the 5th February 1930.

* * *

THE INDIAN RELIGIOUS PICTURES TRADE MARKS (PREVENTION) BILL.

Mr. B. Das (Orissa Division : Non-Muhammadan) : Sir, I beg to move that the Bill to penalise the use of pictures of gods and goddesses, scenes from scriptures or mythology of any religion whatsoever as marks or trade marks on any article imported to

or manufactured in India, be referred to a Select Committee consisting of the Honourable the Law Member, the Honourable Sir George Rainy, Sir Hugh Cocke, Rai Sahib Harbilas Sarda, Mr. N. C. Kelkar, Mr. K. C. Neogy, Mr. Fazal Ibrahim Rahimtulla, Sir Purshotamdas Thakurdas, and the Mover, with instructions to report on or before the 28th February 1930, or as soon as possible thereafter and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five.

Sir, my Honourable friend, Mr. Neogy, has a Bill before the House which is the Indian Merchandise Marks Bill which intends to purify commerce in the country. My Bill is rather a supplement to Mr. Neogy's Bill. I also want in a way to purify trade and commerce in the country, and I do not want trade and commerce in the country to take advantage of religious pictures and use them at a disadvantage to those who belong to that particular religion.

Mr. President: Why not take circulation and be satisfied ?

Mr. B. Das: I will accept the motion for circulation. But before doing so, I wish to make a few observations. My own views, I have summarised in the Statement of Objects and Reasons. If I read it, my own views will be laid before the House.

> " Many articles imported from foreign countries or manufactured in British India bear on them the stamp or picture of Hindu gods and goddesses, scenes from scriptures or mythology, as marks or trade marks. It is repugnant to religious sentiments that they should be so used and profaned by coming into contact with every day humdrum commercial life. Respect for Hindu sentiments demands that the pictures of gods and goddesses and the scenes from scriptures and mythology should not be used as marks or trade marks on any article sold in the market. In like manner, it is proposed to provide that pictures from life of Buddha, the Koran, the Bible should not be used as marks or trade marks on any article sold in the market. The object of this Bill is to penalise all such imports and manufacturers so as to pervent the abuse

that has grown up within recent years. Commercialisation of religious sentiments is anti-Indian in tradition, and culture and sentiment."

Sir, there is extensive vandalism going on committed by the trades people all over. My charges apply equally to imported goods as well as to goods manufactured in India, and my charge of vandalism against the Indian manufacturers is the greater because they being themselves Indians, understand Indian sentiments and the Indian feeling of the Hindu community and other communities, who do not like to see pictures of their gods and scriptures degenerated and commercialised as trade marks. I have got here certain pictures which I have collected from piece-goods, foreign imported piece-goods, which show that these are not the real pictures of the gods and goddesses whom they mean to represent. As a Hindu, I abhor to see God Krishna or any other god being caricatured in the pictures imported from abroad and used as commercial advertisement. I will place those pictures on the table* of the House so that Honourable Members may have an idea what they are like. The trading community in India have also used these pictures in their calendars as a source of advertisement for their profession and trade. At times we find certain pictures which are certainly not of the gods and goddesses, but pictures fit to adorn the night clubs of London or Parisian Saloons. Such pictures of gods and goddesses have certainly a great demoralising effect on the masses of the people. I want that trade and commerce should not tamper with our religion and with the morality of the people. I will pass on the pictures I have to the House, and Honourable Members will see how atrocious they are. It is very disgusting to see the pictures of Radha and Krishna in improper positions of cinema and theatres. Cinema actors' and actresses' photos—with their lustful and lewd faces—are passed off as pictures of Lord Krishna and Radha. Any human being, not to say a Hindu, will abhor seeing it.

An Honourable Member: They might do so on the stage.

Mr. B. Das: I am not discussing here whether such scenes should not be enacted on the stage. In fact I think my Honourable friend, Mr. Neogy, might bring in a Bill penalising such scriptural

*The pictures were laid on the table of the House.

scenes being enacted on the stage by loose men and women, so that the Honourable the Home Member might have an opportunity of expressing his views in the House on that question. I am now concerned with such pictures being used as trade marks and for commercial purposes, and which have a most demoralising effect on the people. I already said that I welcome the proposition of the Honourable Sir George Rainy to circulate the Bill. But I would like to hear his views in the matter before I accept the motion for circulation, for if I accept his motion, it would mean the guillotine for the Bill during the next Session and I could proceed with the Bill only if I am returned at the next general election.

The Honourable Sir George Rainy : (Member for Commerce and Railways) : Sir, I desire to move the amendment which stands in my name : " That the Bill be circulated for the purpose of eliciting opinions thereon." I do not wish to take much of the time of this House on this question, but there are three or four points to which I think I am bound to allude. It seems to me that the Honourable the Mover has undertaken the task of initiating legislation on this subject somewhat light-heartedly, and without endeavouring to estimate the difficulties he might encounter, or considering the justification which he ought to give for his proposal.

The first point I wish to take is this. In the opinion of the Honourable the Mover the application to articles which are bought or sold in India of marks or trade marks representing mythological subjects—pictures of gods and goddesses and other pictures with religious association—is repugnant to Hindu sentiment. Now, the point I would like to put to him and the House is this. If in fact the application of these pictures in that way were repugnant to the sentiment of the majority of the buyers of these goods, is it conceivable that manufacturers and merchants would apply these marks so freely ? Is not the natural inference rather this, that these particular marks and pictures attract customers rather than repel them ? I think that is a very real and solid point, which sooner or later the Honourable Member will have to meet, if he decides to proceed with his Bill.

The second point that I wish to take is this. Has the Honourable Member considered how, if his Bill became law, it would be possible to enforce it ? That is a question which came

3 P. M.

prominently to notice in connection with my Honourable friend Mr. Neogy's Bill for amending the Indian Merchandise Marks Act. It is practically impossible, as things are in India today, to make a prohibition of that sort effective at the time of sale, and I am afraid that, if the Bill were passed into law, it might to a large extent be a dead letter. You might of course prevent the importation at the customs of goods to which certain marks, or trade, marks, were applied ; again you could conceivably—I do not know whether that is what my Honourable friend contemplates—have at every factory in India some sort of establishment which would check all goods before they left the factory and see that the marks thought to be objectionable were not applied. That might be possible, though it would be a considerable burden on the industry. But, even supposing we had all these precautions, if in fact it assists the sale of goods to have these marks applied what is to prevent the merchant or middleman, after the goods have been imported and after the goods have been manufactured and have left the factory, from applying these marks later on ? I think these are very real difficulties and it is precisely because they demand close examination that it seems to me necessary that the Bill should be circulated before the House comes to a determination about it.

My third and last point, Mr. President, is this. I quite realise the difficulties which private Members in this House have about the drafting of their Bills and I only mention this point because I want to be quite clear as to what the Honourable Member proposes. The operative clause in his Bill, clause 2, reads like this :

" Any person from whom a customs duty is levied in any place in British India for importing any articles or the manufacture in India of any article....."

That apparently reads : " Any person from whom a customs duty is levied for the manufacture in India of any article....." I am not aware that customs duties are levied for the manufacture of any articles in India at present, but the point I wish to get at is this. Is it definitely the Honourable Member's intention and the intention of his Bill that this prohibition should be applied both to imported goods and to goods manufactured in India ?

Mr. B. Das : Yes, that is so.

The Honourable Sir George Rainy: I am grateful to the Honourable Member. It was necessary to raise the point because, if the House decides to circulate the Bill, the Local Governments and others would have been unable to express an opinion if they had regard merely to the terms of the clause as it stands which seemed to me ambiguous and very difficult to construe indeed.

I do not think it is necessary, Sir, that I should take up the time of the House longer.

Mr. B. Das: Sir, I beg to withdraw the motion for reference to Select Committee and I accept the motion for circulation.

Mr. President: It is for the House to accept.

Mr. W. Alexander (Madras: European): Sir, when this Bill first came into my hands, I had considerable doubt as to whether the Honourable the Mover really intended to include the words: "It extends to the whole of India". And after waiting for his explanation, I am left guessing and wondering still. For this reason. In the course of a long business experience, and seeing the use of these pictures of gods and goddesses as trade marks, I can only say that, so far as regards the Madras Presidency, it does not apply at all, and that there is no repugnance, as stated in the Bill, to the use of those marks on the part of the people of that Presidency. In fact it is quite the other way. One has only to go into the bazars and see how those pictures are used in an ornamental way on the walls of shops and houses; and instead of the attitude towards them being one of repugnance: it is really that of admiration, respect, and I might almost say, veneration.

Then there is another aspect which I think requires elucidation. I do not know if the Honourable Member, in trying to stop the use of those tickets by this Bill, remembers that certain marks have been used over a long term of years and have become quite valuable —owing very largely to the fact that they are usually identified with a reliable and good quality of cloth or whatever it is,—say colour and general workmanship. They are owned by Indians as well as by other traders. Does the Honourable Member propose to compensate the owners for the loss they would incur through the cancellation of their right to use them? And if he does propose

to compensate them is he aware that the huge amount involved in doing that is a matter which no Government could possibly consider for a moment ?

There is another point I would like to make, and this rather concerns the Honourable the Mover himself. I do not know if he is of a very religious turn of mind, but I think, we may assume from the fact that he has put forward this Bill, that he has considerable leanings in that direction. Now, I would like to point out that in this Bill he proposes to uproot very old custom and usage. I would ask him to consider that, in doing that, he may possibly get on to very dangerous ground. The Honourable Member may not be superstitious, but he and I have been friends for some years past, and I do not like to think of his possibly being harassed and worried by hosts of angry gods and goddesses disturbing his peace of mind for the rest of his natural existence, and for all we know, perhaps far beyond that. I would therefore appeal to this House to vote solidly against this measure. Sir, I oppose the motion.

Mr. President: The original motion was :

> " That the Bill to penalise the use of pictures of gods and goddesses, scenes from scriptures or mythology of any religion whatsoever as marks or trade marks on any article imported to or manufactured in India, be referred to a Select Committee consisting of the Honourable the Law Member, the Honourable Sir George Rainy, Sir Hugh Cocke, Rai Sahib Harbilas Sarda, Mr. N. C. Kelkar, Mr. K. C. Neogy, Mr. Fazl Ibrahim Rahimtulla, Sir Purshotamdas Thakurdas and the Mover, with instructions to report on or before the 28th February 1930, or as soon as possible thereafter, and that the number of Members whose presence shall be necessary to constitute a meeting of the Committee shall be five ;" Since which the following amendment has been moved :

> " That the Bill be circulated for the purpose of eliciting opinions thereon."

The question is that that amendment be made.

The motion was adopted.

[AS INTRODUCED IN THE LEGISLATIVE ASSEMBLY.]

A Bill to Penalise the use of pictures of gods and goddesses, scenes from scriptures or mythology of any religion whatsoever as marks or trade-marks on any article imported to or manufactured in India.

WHEREAS it is expedient to penalise the use of pictures of gods and goddesses, scenes from scriptures or mythology of any religion whatsoever as marks or trade-marks on any article imported into or manufactured in India; It is hereby enacted as follows:—

Short title, extent and commencement.

1. (*1*) This Act may be called the Indian Religious Pictures Trade Marks (Prevention) Act, 192 .

(*2*) It extends to the whole of British India.

(*3*) It shall come into force on the first day of April, 1929.

Punishment for importing or manufacturing goods with trade-marks of pictures of gods and goddesses, etc.

2. Any person from whom a customs duty is levied in any place in British India for importing any article or the manufacture in India of any articles whatsoever shall be punished with a fine not exceeding five hundred rupees if the articles so imported or manufactured bear on them pictures of *gods, goddesses* scenes from scriptures or mythology of any religion whatsoever, as marks or trade-marks.

STATEMENT OF OBJECTS AND REASONS.

Many articles imported from foreign countries or manufactured in British India bear on them the stamp or picture of Hindu gods and goddesses, scenes from scriptures or mythology, as marks or trade marks. It is repugnant to religious sentiments that they should be so used and profaned by coming into contact with every day humdrum commercial life. Respect for Hindu sentiments demands that the pictures of gods and goddesses, and the scenes from scriptures and mythology should not be used as marks or trademarks on any article sold in the market. In like manner, it is proposed to provide that pictures from life of Buddha, the Koran, the Bible should not be used as marks or trade marks on any article sold in the market. The object of this Bill is to penalise all such imports and manufactures so as to prevent the abuse that has grown up within recent years.

Commercialisation of religious sentiments is anti-Indian in tradition, and culture and sentiment.

B. DAS.

Letter No. 834, dated 24th April 1930, from Chamber to the Government of Bombay.

In continuation of my letter No. 753 (acknowledgment) of the 3rd April I am directed to send to you hereby the views of my Committee on the provisions of the above Bill.

My Committee are in sympathy with the principle underlying the Bill. But they are inclined to think that the provisions of the Bill in its present form are very extensive and, therefore, would suggest amending the Bill so as to limit its application to pictures of gods, goddesses and prophets, thus excluding from its operation scenes from scriptures or mythology, etc. Subject to this amendment my Committee are in agreement with the provisions of the Bill.

APPENDIX LXIX.

REGISTRATION OF TRADE MARKS—NEED FOR LEGISLATION

RE:

Letter No. F 402, dated 9th April 1930, from Chamber to the Federation of Indian Chambers of Commerce and Industry.

The Fifth Session of the Indian Industrial and Commercial Congress held at Madras on the 29th and 30th December 1927, adopted a Resolution recommending to the Government of India the desirability of introducing legislation for the Registration of Trade Marks in India in the interests of Indian trade and industries and in the absence of which India was unable to join the International Convention for the protection of "Industrial Properties." The Government of India in their letter No. 80-T (5), dated the 21st May 1928, replied to the effect that they had considered the question of the introduction of a system of registration of trade marks on no less than ten occasions during the last half a century and that on every occasion it was found that commercial opinion was either unanimously or on the balance against the proposal. They, further, stated that they were not prepared to re-open the matter

unless a statement was placed before them indicating clearly the reasons which were held to justify it and in particular the extent of the disability which India suffered by non-adherence to the International Convention for the protection of "Industrial Property" and the advantages which, it was believed, would result from the registration of trade marks. I am now directed to request you to place this matter before your Committee and to inform me of the opinion of your Committee in the light of the points raised by the Government of India in their letter of the 21st May 1928. It is requested that the replies should reach this office not later than Monday, the 12th May, 1930.

Letter No. 3206, dated 24th September 1930, from the Chamber to the Federation.

With reference to your letter of the 9th April, 1930 No. F. 402, my Committee have now considered this question, and I am directed to send to you herewith copies of the correspondence exchanged by them with the Director of Industries, U.P., and the Government of Bombay in 1926 and 1928, embodying their views on the subject. My Committee have all along emphasised the need for such legislation and they have no hesitation in reiterating this view.

For enclosures to this letter refer to pages 576-581.

Annual Report for 1926 and 387-390, Annual Report for 1928.

Letter No. F. 1388, dated 11th December 1930, from the Federation of Indian Chambers of Commerce and Industry to the Government of India, Commerce Department.

I am directed by the Committee of the Federation of Indian Chambers of Commerce and Industry to refer to your letter No. 80-T(5) dated the 21st May 1928, in reply to my letter No. 90, dated the 7th February 1928, regarding Registration of Trade Marks. In the letter under reference you have stated that the Government of India are not prepared to re-open the question of the introduction of a system of registration of trade marks in India, unless a statement is placed before them indicating clearly the reasons which are held to justify it and in particular the extent of the disability which India suffers by non-adherence to the

International Convention for the Protection of Industrial Property and the advantages which are likely to result from the registration of trade marks in India. The Federation of Indian Chambers of Commerce and Industry therefore decided to consult the various commercial bodies throughout the country to elucidate their views once again on this important question, and therefore the reply to your letter was delayed so long. On referring this matter to the various commercial associations, for their opinion, they have expressed themselves strongly in favour of the enactment of such an Act, and there is an unanimity of Indian commercial opinion on the subject. A summary of the views received from the various commercial bodies on this question is appended herewith for the information of the Government.

2. In the absence of a Trade Marks Registration Act in India, there is no reasonable protection against an infringement of a Trade Mark. It is sometimes attempted to secure some protection by placing on record the Trade Marks in the Office for Registration of Deeds under the Indian Registration Act XVI of 1908 as subsequently amended. Such a registration has, however, no legal effect other than that it may be received as evidence of proprietorship and of use. These declarations, however, are hardly of any use in proving *first user*. The declaration of ownership of Trade Marks made with the Registrar of Assurances also does not prove the title—for that one has to depend on prior user of the Mark alone. But the difficulty arises how to prove the date of the first use and this leads to vexatious and expensive litigation and even the Courts find considerable difficulty in deciding which claimant was the prior user in the absence of reliable records.

3. At the present time it is impossible to ascertain whether any particular trade mark is claimed or is in use unless such mark is well-known and widely used. Trade Marks are therefore unwittingly infringed by persons in the absence of suitable Registers, which may be conveniently inspected by persons desirous of adopting a new Trade Mark.

4. Even when trade marks are registered at present, there is no system of classification or examination of trade-marks, and the public cannot always have easy access to the books of the Registrar

of Assurances and other Chambers of Commerce who register trade-marks in absence of any Act. Besides, there is no limit to such registration. Almost every district or village has a Registrar before whom a declaration of ownership can be filed. There is therefore hardly any means whereby a merchant can ascertain previously whether a certain trade mark has been in use or not. The need therefore of a central organisation which should register all trade marks after careful enquiry and examination and from where the necessary information can easily be obtained on payment of a small fee, is very great indeed.

5. Further, in case of infringement of trade marks, a considerable amount of time and money is spent both in upholding the rights of a trade mark and in many cases defending a suit by an innocent infringer. In some instances, the proprietor of a mark believes that his mark has been copied, and after undergoing an amount of worry and expense consequent on litigation, he finds that the Court does not uphold his view. Cases have also been brought to the notice of the High Court recently where an infringer of a trade mark puts the original proprietor of the mark to considerable expenses and annoyance and when it is likely that the Court will recover damages from him, he files a petition in an insolvency Court leaving the costs to be borne by the plaintiff.

6. The absence of a Trade Mark Registration Act in India is thus a serious handicap to a merchant desirous of placing his goods upon the market under a new Trade Mark adopted by him in good faith, owing to the possibility of his finding sometime after he had advertised his new Trade Mark that he has infringed somebody else's Trade Mark rights through inadvertence. In the event of this happening he has to withdraw his Trade Mark and possibly to pay heavy damages. The absence of such an Act is also the basic cause of a very large percentage of the infringements of Trade Mark rights. If a Trade Mark Registration Act is passed in India, the fact that the Government had protected Trade Marks, would be recognised and widely known, and this would check to a great extent the infringement of Trade Marks.

7. It has been contended that the present law is good enough as there is sufficient protection on proof of first and continued user. A little consideration, however, will make it clear that the owner of

a Trade Mark in India today must be prepared to prove the prior user and continued user in order to be in a position to establish any rights whatever in the Trade Mark in the event of any infringement which may occur at any time. This is no small burden. In the event of legal proceedings being necessary, considerable cost will have to be incurred in proving the Trade Mark rights. It does not give protection, for instance, to an innocent infringer also. And these difficulties will be only removed when India has a proper Trade Mark Registration Act.

8. Another objection that has been put forward against the Trade Marks Registration Act is that the passing of such legislation would entail the necessity of registration of all trade marks in use at present and heavy expenses would have to be incurred thereon. This is, however, not overwhelming. The cost of registration of a Trade Mark is after all small, compared to the protection it gives. In the case of the trade marks that are already in use, a simple procedure could be adopted in order to give relief to the present owners of trade marks, by registering their existing trade marks for a small nominal fee, when the law for the registration is enacted for a period of, say, three years. To decide controversies in the beginning, a tribunal may be appointed to summarily decide the same in a manner similar to the decision of disputes about titles to land when a general survey and settlement under the Tenancy Act takes place. Some common marks may be found to be established, and this may be met by the maintenance of a Register of old common marks. The great advantages and security which would be obtained by registration would in any case far outweigh the inconvenience and the expenditure that would be incurred in bringing the present Trade Marks in the Register. Such objections like these are sure to be raised but they cannot be of sufficient force. If there was much force in this contention Great Britain would not have adopted a Trade Mark Registration Act.

9. In recent years, there has been considerable development of industries in India and an increase in the number of manufactured articles. This has brought about a great change and has necessitated the enactment of a Law for the registration of Trade Marks. All advanced countries in the world have passed

legislation to register and secure the rights of owners of trade marks and even small countries like Ceylon and Persia have passed such Acts. If there is delay in passing proper legislation such difficulties as exist at present will be considerably increased.

10. The difficulties of Indian traders in foreign countries are also very great, owing to the absence of a Trade Mark Registration Act in India, and these difficulties will be increasingly felt as India begins to export more and more manufactured articles. The Committee would cite an instance, which has been brought to their notice, in support of this statement. Only in the year 1926 some Indian Merchants experienced this difficulty in their trade with Greece. Instructions were sent by these Indian merchants to their agents to register certain trade marks in Greece on their behalf and the agents replied that there existed no convention in the matter between India and Greece as India had not joined the convention entered into with Great Britain. These merchants were advised by their agents to approach the Government of India to join the convention, if India wished to have the same protection for her trade marks in Greece as the British trade marks enjoyed. The Government of India replied stating that India was not a signatory to the Industrial Property Convention and that an Indian firm or a company established outside Greece had therefore no treaty right entitling it to register its trade marks in that country. The Government of India further observed that there was no law in India for the registration of trade marks and that they were unable to undertake the enactment of such a law, unless the commercial community strongly demanded it. The Indian commercial opinion today is strongly in favour of the enactment of such a law as stated already and the question requires a very serious consideration at an early date by the Government of India.

11. Another difficulty experienced by the merchants is that a foreign trader seeing the successful sales of certain articles effected in India adopts and registers the successful mark in other countries and the trader in India is placed at a considerable disadvantage even when trying to uphold his rights in India, and it not unoften happens that when in foreign countries he proceeds to register a mark that he has been successful in establishing in India, he is

anticipated in those countries. It also transpires as in the case of Greece cited above, that he is wholly unable to register his mark in other countries, which have a Trade Mark Registration Act, and is thus handicapped in his business.

12. The lack of a proper Registration Act for Trade Marks prevents India from being a party to the International Convention for the protection of Industrial Property and this being the case, nationals of India are prevented from obtaining patent protection in respect of an invention in other countries belonging to this Convention (exclusive of Great Britain and her colonies) under the Rules of the Convention which gives citizens of the country party to it, the right of being granted a priority of claim to other applicants for patents if they file their application for patent within 12 months from the date of filing their application in their country of origin irrespective of whether publication of their invention has taken place or not, while the citizens of India must file their applications for foreign patents before any publication has taken place in India. Even small countries like Ceylon and Persia have realised the advantages resulting from a Trade Mark Registration Act, and have joined the International Convention for the protection of Industrial Property, several years ago.

13. A perusal of Articles 6 to 10 of the International Convention for the protection of Industrial Property will satisfy the Government that the disabilities imposed on Indian merchants are of a very serious nature. Britishers in India can get over this difficulty by having their application for patents first filed in Great Britain and by producing their birth-certificate when their rights to Convention patent cannot be disputed in any of the other countries.

14. What is more, nationals of India cannot obtain registration of their trade marks in foreign countries, though the trade marks of those countries are protected in India, as the laws of these countries demand a Home registration with the application. As long as India has not got this Act, the nationals of India will suffer this disadvantage.

15. If India has a Trade Mark Registration Act, it will also raise the status of India from the International point of view, as

India will be able to become a party to the International Convention for the Protection of Industrial Property, *viz.*, Patent, Designs and Trade Marks.

16. The enactment of a law for the registration of Trade-mark in India will besides enabling India to become a party to the International Convention, provide additional revenue to Government and prevent the confusion and annoyance which exist at present and which are very harmful in trade. The Bombay Mill-owners' Association is the only body approached by the Federation which has expressed itself against the enactment of a law for the registration of trade mark in India but the grounds on which they are opposed are :—(1) " That the existing law in India is sufficiently comprehensive." It has been shown above that this is not really the case. It is a source of litigation involving a large amount of expense, annoyance and unnecessary worry. (2) " The difficulty of finding an expert staff to scrutinise the trade marks prior to registration and to decide about their admissibility." This difficulty is merely theoretical as it is not at all difficult to find an expert staff. (3) " The expenditure involved in establishing a system of registration of Trade Marks with the necessary elaborate and cumbersome regulations and an unnecessarily expensive staff would be considerable." Compared to the advantages that would result to Indian trade and industry from the system of registration, these difficulties are such as are negligible. If these difficulties were as great as they are made out to be, no country would have had such an Act. Various countries have had these Acts for several decades and they are found to be very satisfactory. Even the Millowners' Association concedes that any attempt to ensure a system of scientific registration of trade marks in India would be generally welcome by the commercial community of India as a whole.

17. Recently, *i.e.*, in April 1928, the High Court of Bombay also addressed a letter to the Government of Bombay suggesting that legislation should be introduced in India corresponding to the trade mark Act of 1905 in England as it had come to the notice of the Lordships that in the absence of a Trade Mark Act in India, honest traders and manufacturers had to rely upon the common law for their rights to trade mark and trade names, and accordingly

to sue infringers upon that basis, and the result is costly action because many witnesses have to be called to establish the common law right. It was also stated by the High Court that it frequently happens that an infringer is a man of no substance who is put up by others and consequently no cost can be recovered from him. The High Court maintained that the proposed legislation would diminish the difficulty and the cost of or remove altogether the necessity for the proof of title by use and reputation which costs so great a burden upon the owners of trade mark in proceedings to restrain infringement; and would secure the publication of marks which have been appropriated as trade marks and would define the rights of their proprietors for the information of the traders and would limit the classes of marks which are capable of being so appropriated. It was also pointed out by the High Court that though some remedy did exist in the Criminal Courts in this respect it did not necessarily meet all needs. In view of the strong expression of commercial opinion in favour of the enactment of a law for the registration of trade marks in India at the present time and the disabilities imposed on India in foreign countries due to her not being a party to the International Convention for the Industrial Property, the Committee of the Federation trust that the Government of India would be pleased to reconsider the question at an early date, with a view to introduce suitable legislation in the next Sessions of the Legislative Assembly.

APPENDIX LXX.

SEA CUSTOMS ACT—AMENDMENTS.

No. 7141—D, dated 15th November 1929, from the Government of Bombay, Finance Department, to Chamber.

I am directed to forward a copy of Government Resolution No. 7141, dated 15th November 1929, and to request the favour of the opinion of your Chamber on the proposed amendments, at an early date.

GOVERNMENT OF BOMBAY, FINANCE DEPARTMENT, RESOLUTION No. 7141.

Bombay Castle, 15th November, 1929.

Letter from the Government of India, Finance Department (Central Revenues), C. No. 687-Cus. 126, dated 16th October 1929.

RESOLUTION.—Copies of the letter from the Government of India together with its accompaniments should be forwarded for favour of opinion, at an early date, to the following :—

No. C 687 Cus./26, dated 16th October 1929, from the Government of India, Finance Department, to all Local Governments.

As is well known, the Government of India have for some years past been examining the points in which the Sea Customs Act, VIII of 1878, appears to require amendment in order to bring it into line with modern conditions; and I am now directed to circulate the proposals of the Government of India in order to secure the opinions of local Governments and of the public concerned upon them.

2. The Government of India have decided to postpone the introduction of a Bill in the Assembly until after they have been able to consider such criticisms as may be evoked by the present discussion. The proposals are, therefore, not being calculated in the form of a Bill. The Government of India have had the substance of the amendments which they propose embodied in the form of draft amendments to the existing Act, and they believe that the exhibition of their proposals in this form will provide the easiest means for their apprehension and consideration by those who are to be consulted. The amendments described have, therefore, been embodied in a reprint of the existing Act, as proposed to be amended, and I am directed to enclose copies of this reprint. The same number of spare copies of this letter and of copies of an explanatory note are also forwarded.

3. The principal changes in the Act may be indicated generally under the following heads :—

(*a*) *Relaxations of Custom-house procedure.*—These are too numerous to specify in detail, but they cover every stage of importation and exportation—the entry of vessels, the delivery of manifests, the filing of bills-of-entry, the assessment of duty, the clearance of goods, the warehousing of goods, transhipment, and the shipping of goods. Many of the changes embody existing practices which have been challenged

on the score of illegality, many are fresh concessions. In particular, the Bill legalises and regulates the practice of making a first assessment of goods on paper evidence before the goods are examined and before it is known that they are landed; this practice has its most extreme form in the "prior entry" system under which bills-of-entry are dealt with before the ship has even reached port. The policy behind all these relaxations is that so long as the Customs revenue can be adequately safeguarded, all rules of Customs law should be framed as simply and elastically as possible, so as to give rise to the very minimum of friction on the passage of goods. Taken together, these relaxations from the most important feature of the Bill; they exhibit a great advance in Custom-house procedure, and will be of great benefit to the mercantile community.

(*b*) *Changes in respect of the grant of money reliefs.*—In one matter the Government of India propose a change which will withdraw a concession that is at present enjoyed under the existing Act. This is in connection with drawbacks. The Government of India have decided that, since Customs import duties are primarily taxes on consumption, it is not reasonable that drawback of duty should be given as a matter of right on goods which have been used between importation and re-exportation. They therefore propose to restrict the grant of drawback on used goods to special cases which would be prescribed by rules to be made in this behalf. Examples of the classes of cases in which drawback on used goods will still be given under rules are motor-cars temporarily imported under arrangements governing the international circulation of motor-cars, and goods which are found defective on first being taken into use and are therefore returned for repairs or replacement.

Otherwise, the changes, which are numerous, are all of the nature of further concessions. In the new

draft of Chapter VI, the regulations governing drawbacks in respect of goods which have not been used have been altered so as to avoid, as far as possible, the chance of legitimate claims being barred on merely technical grounds. Again, power has been taken to relax the provisions of Section 21 in cases where its literal operation would be unreasonable; and Section 23, relating to funds, has been amended so that it can be used in favour of goods the exemption of which is dependent upon conditions which cannot be established until after the importation has been completed. Further, Section 40 has been amended so as to enable the Customs-Collector to make refunds of his own motion as well as upon claims presented, and so as to extend the period for claims; and the unduly severe peualty that now falls upon shippers of goods liable to export duty if they fail to file short shipment notices in time is removed by the amendment of Section 140.

(c) *The discharge of goods.*—Amendments in Chapter IX of the Act introduce new principles regulating the liability of various persons to duty on missing goods—an important subject on which the existing law is defective and to some extent unfair in its operation as is explained in greater detail in the explanatory note that is forwarded herewith.

(d) *The recasting of the penal provisions.*—The Government of India have decided, in accordance with the opinions expressed in the Legislative Assembly when the Land Customs Act of 1924 was under discussion, to extend the jurisdiction of the ordinary criminal courts to as many customs offences as is practicable without causing undue dislocation of work or inconvenience to members of the public or burdening the Magistrate's courts with petty cases.

(e) *The liability of ships' owners for smuggling by their crews.* A new Chapter XVII A has been added to the Act which will render it possible to punish the owner of a ship

for the smuggling of prohibited goods by the ship's crew, provided that a responsible officer of the ship is implicated either actually or by neglect. Such a provision will render the authorities able to deal more effectively than they can at present with the regular smuggling of opium, and dangerous drugs that is known to take place on a number of vessels that regularly arrive at ports in British India. A precedent for the provisions here made will be found in the United Kingdom Customs Consolidation Act (1876) Amendment Act, 1890 (53 & 54, Vict. c. 56).

4. It will be observed that the Government of India have not proposed any amendment of Section 30 of the Sea Customs Act which contains a definition of " real value." The Indian Taxation Enquiry Committee made a proposal in paragraph 149 of their report for the amendment of this section; but the Government of India, after giving careful consideration to the proposal, did not see their way to accept it. The existing law has on the whole worked well during the last fifty years. The effect of the change proposed by the Committee would be to substitute as the primary basis of valuation values in the country from which the goods are exported instead of values in this country. There is much to be said in favour of the law requiring values the correctness of which can be verified in this country. The verification of values in foreign countries must depend in the main upon the scrutiny of documentary evidence, and it has unfortunately happened with increasing frequency in recent years that invoices purporting to represent the foreign sale-price of goods have been found, even with the limited means of check available to Customs Officers in this country, to have been false or forged.

5. Further details will be found in the explanatory note, copies of which are enclosed herewith. The Government of India will be glad to have the opinion of the local Government upon the proposals as soon as possible, after due opportunity has been afforded to those interested, and in particular to Port Trusts and Chambers of Commerce and similar organisations, for representing their views. Collector of Customs are being consulted direct.

There is no objection to copies of this letter being sent out together with copies of the " Act as amended " and of the explanatory note. The latter, which has been prepared by the Central Board of Revenue, has not discussed in detail a number of minor points the explanation of which appears to be reasonably self-evident; but if any of these points is not clear, enquirers are invited to address the Board, which has been instructed to render an explanation on request from any enquirer, although it has naturally not been authorized to enter into a discussion of the merits of the proposals in reply to any such enquiry.

(The accompaniments being voluminous are not printed here but can be referred to in file R. 14 of 1930.)

No. 662, dated 22nd March 1930, from Chamber to the Government of Bombay, Finance Department.

I am directed to send to you herewith the views of my Committee on the proposed amendments to the Sea Customs Act.

My Committee have gone through the whole of the amended Act, and find that on the whole there are some minor concessions granted to the merchants but it is revised in such a manner as to inflict a good deal of hardship on the merchants. *Vide* powers are given to the Customs Authorities with the result that the Sea Customs Act is changed into a document like the Indian Penal Code or the Public Safety Bill. If the whole amended act is to be put into operation the merchants will suffer great hardship as regards offences committed under Section 167.

Section 19 : Under the Press Law Repeal Act, a printer of a book, etc., which has been forfeited by the Local Government on the grounds that it contains matter which is punishable under Section 124-A or 153-A, has the right of moving the High Court to review the book and cancel the order of forfeiture. It is suggested that on this analogy, if any book, etc., the import of which has been prohibited under the Notification issued under Section 19, is imported and confiscated, the person aggrieved by the order of confiscation should have a right to move the High Court for a declaration that the matter of such a book, etc., is not such as is punishable under Section 124-A, 153-A, or any other law for the time being in force, and therefore, the Governor General in Council was not well advised to prohibit the import of such a book, etc.

Section 21, *Chapter V:* The proposed amendment will, instead of giving protection to the indigenous industries, encourage foreign industries. It means allowing goods of higher values to be passed at a lower rate of duty. The Committee are, therefore, against the change.

Section 25, *Chapter V (Proviso):* It is suggested that requirement that the property in the goods should continue in the person by whom or on whose account they were imported is quite unnecessary. If the Customs Collector is satisfied that the goods are the produce of British India, they should be allowed free import, if imported within three years after their exportation. It is also suggested that if the goods have been subjected to any process of manufacture or improvement, duty should only be recovered on the cost of such process of manufacture or improvement. It is, therefore suggested that the words in the proviso " and it is proved....improvement" should be deleted and the following words be added after the proviso after substituting comma for a fullstop :

> " Provided that if the goods have been subjected to any process of manufacture or improvement while abroad, duty shall be recovered on the cost of such process of manufacture or improvement."

Section 29, *Chapter V:* The expansion of this section is, in the opinion of the Committee, highly objectionable. This will put the merchants to inconvenience and a great deal of hardship. These are very wide powers given to the Collectors. The Act No. VIII of 1878 modified to the 1st August 1918 is quite enough to protect Government interests.

Section 29 (*2*): The period of one year seems to be unnecessarily long. The importer may have difficulty in producing the documents specified after nearly a year, and the Committee would be glad to know the reason for this provision which appears to violate the principle of finality of assessment—a principle of great importance if the *bona fide* importer is not to be hampered in his business.

Section 30: It is regretted that the Government of India have not proposed any amendment of this section, as proposed by the Indian Taxation Enquiry Committee in paragraph 149 of their Report. It has always been held by the mercantile community that the term " Real value " has not been sufficiently defined. All modern fiscal experts hold what Customs duty should properly be levied on the " landed cost " of the goods which should correctly be the invoice value plus freight, insurance and other incidental charges incurred in buying goods from the importing country. The Taxation Enquiry Committee have given very cogent reasons for their proposal. In a vast country like India having voluminous imports, instances may occur of incorrect invoices but for this law is sufficiently strong. It is, therefore, suggested that Clause (*b*) should be Clause (*a*) and Clause (*a*) should be Clause (*b*). The effect of this would be that goods would ordinarily be assessed on invoice value and where invoices are not forthcoming assessment would be on market value. One more advantage of this change would be that goods coming from the same manufacturers would be assessed on a uniform basis and the trouble and labour involved in ascertaining market values which in certain cases are of a fluctuating character would be avoided.

Sections 39 & 40: The period of three months should be extended to nine months instead of six months in both the cases.

Sections 43 & 45: It is suggested that a new Clause (*e*) be inserted in Section 43 which should read: —

" (*e*) on goods the value of which is less than $\frac{1}{10}$ of the value at the time of importation."

After that is done Section 45 would be quite unnecessary, in the opinion of the Committee. Drawback on goods should not be refused simply because they have been partly used in India. It is true that as stated in the Government of India letter of the 16th October 1929, import duties are primarily taxes on consumption. It is for this very reason that the Committee think that it is not equitable to refuse drawback on goods which have not been used in India. The proposed Clause (*e*) above and clauses (*c*) and (*d*) of Section 43 would meet the case fully is that if the goods have been used considerably and to an extent their value has deteriorated to the extent of more than $\frac{1}{10}$ drawback should be refused.

Section 75, *Chapter VIII :* If the consignor does not declare the contents, it is not the fault of the consignee, who should not be penalised for the sender's fault.

Chapter XVI, 1st Schedule : The wider powers proposed to be given to the Collectors are unnecessary. Under the old Act, Collectors have got full powers to deal with the subject. When fraudulent cases are detected, Collectors can confiscate the goods, can penalise the merchants and in grossly fraudulent cases prosecute them in a Criminal Court of Law. Under the circumstances, it is absolutely unnecessary to have any change.

Chapter XVI, Section 167 : This section is the most important section under the Sea Customs Act. In the Act of 1878 and modified upto 1918 the powers are granted to the Collectors to deal with the individual cases on their merits. The powers of confiscation, punishment and prosecution are all embodied in the Section 167 of the old Act. The Committee do not understand why options are given to the offenders after putting them before the Magistrates, and in the proposed change it appears that the Collectors may, for whatever reasons, take the merchants to a Criminal Court of Law if they are not satisfied with the merchants' versions. The Committee think that the fourth column, 2nd Schedule, Chapter XVI, is unnecessary. The conditions in the old Section 167 are enough to safeguard the interests of Government revenues.

Chapter XVII : This should remain as in the old Act. The offences under Merchandise Marks Act are very trivial, and if a grave view is taken of the same by the Collectors there will be an uproar. Such mistakes are often committed by the shippers, though many times inadvertently.

Section 187, *Chapter XVII :* This is also very hard. That a merchant is penalised first by confiscation of his goods and then prosecuted before a Magistrate is very hard upon him.

Chapter XVII-A : The Committee are strongly against the proposed amendments. The importers are in no way concerned with this Chapter, but it will tell very hard on the shipowners who

may be absolutely innocent of the smuggling carried on by the crew or officers but under the proposed change they can be prosecuted in a Criminal Court of Law.

APPENDIX LXXI.

LAND TRANSFER SYSTEM—MR. A. KIRKE-SMITH'S REPORT.

No. 9031-G/24, dated 17th May 1929, from the Government of Bombay, Revenue Department, to Chamber.

I am directed to forward a copy of a Report by Mr. A. Kirke-Smith, Solicitor to Government, on the working of the land transfer system in England and on the feasibility of its application to the Town and Island of Bombay and to request that the Governor in Council may be favoured with the opinion of your Chamber thereon.

No. 242, dated 3rd February 1930, from Chamber to the Government of Bombay.

Referring to your letter No. 9031-G-24, dated 17th May 1929, I am directed to send to you hereby the views of the Committee of this Chamber on the above subject.

My Committee would welcome any proposal which would reduce the costs, charges and expenses in connection with the transfer of immovable property in the Town and Island of Bombay, and they, therefore, congratulate Mr. Kirke-Smith on his attempt in that behalf. It would, however, appear from what has been observed hereinafter that there are several important questions which will have to be considered and settled before the application of the system proposed in the above report could be thought of. Not only that but changes in the existing law, as hereinafter indicated, would have to be made; and it would be a matter for consideration whether it would be desirable to effect all such innovations.

A very large majority of the properties in Bombay belong to Hindus and Mahomedans. In the case of persons of these communities there are important elements of personal law and there is no uniformity of law in the cases of the rights of various members of these communities to deal with immovable property. It

is on this account that various difficulties present themselves and my Committee think that before the application of the proposed system could be thought of, all these difficulties will have to be carefully considered and remedied and necessary legislative changes made.

Mr. Kirke-Smith has in view *firstly* the ascertainment and registration of the title of the lands and *secondly* the phraseology employed in Deeds of Transfer. As regards the latter, it would appear that no legislation is necessary as under the Transfer of Property Act several covenants are implied. It seems that Solicitors and those having to do anything with Conveyancing are accustomed to old English forms and Precedents, and it is because of this that the old phraseology is kept up. There is nothing to prevent the phraseology employed in Deeds of Transfer from being altered and made simple and for that purpose no legislation would be necessary.

The ascertainment and registration of the title of lands is, however, really important. In Bombay registration of Deeds is compulsory and in this respect the position here is better than that in many English counties wherein even to this day registration is not compulsory. Then again the newly introduced Cadastral Survey Register shows the devolution of title and also specific encumbrances, leases, etc.

The principal objections to the proposal and registration of title for ascertainment contained in the report of Mr. Kirke-Smith may be indicated as under :—

(*a*) Under the personal law governing Hindus, the registered holder of the land would not be the only person entitled to the property of which he is such registered holder. If therefore, in the case of such registered holder it is proposed to be assumed that he is the sole owner and able to give proper title to the transferee and the transferee is not concerned to enquire as to whether or not there other persons who may be members of the family and interested in the property, then serious complications will arise and the

vested rights of the members of that community will be affected. My Committee think that the suggestion of Mr. Kirke-Smith to overcome this difficulty by proposing that any persons apprehending that his interests would be affected should be given an opportunity by filing a caveat or prohibition is not sufficient to meet the case. There may be minors and persons under disability and merely because no caveat or prohibition may have been filed on their behalf it would not be just that their interests should be allowed to be affected. There are so many points to be considered when a Hindu alienates an immovable property and my Committee apprehend it would be difficult to keep a register containing all necessary information up to date.

(*b*) Under the law, as it exists, Hindus in some cases and Mahomedans generally are not bound to take out legal representation. That being the law at present, nothing would appear in the register as to the persons who on the death of the last registered holder would be entitled to deal with the property in question.

(*c*) In England there are statutory provisions relating to the dealings with immovable property and as they do not exist in India the passing of some of these would be necessary if the proposed system is to be adopted. For instance, the Law of Property Acts in England provides that equitable estates (with only certain exceptions) will not affect the purchaser even though he may have notice of them. A similar provision does not exist in India. It would be difficult to register and provide for all such equitable interests in the proposed land register in the absence of necessary legislative enactments and even though the distinction between legal and equitable estates in this country is not what it is in England, some safeguard is advisable.

It is no doubt true that if transfer of property would be effected without prohibitive expenses and with due despatch and with title thereto guaranteed by the State, it would facilitate the transfer of property and would prove useful. It is by reason however of the difficulties some of which are indicated hereinabove that my Committee hesitate in recommending the system suggested by Mr. Kirke-Smith, in any case without considerable modifications and after the necessary changes in law are made. The proposed system is intended to apply only to the Town and Island of Bombay and it would, therefore, be inequitable that merely on this account the personal law of Hindus and Mahomedans all over the country should be altered.

After indicating the difficulties felt by them, my Committee desires to make the following suggestions which might have a bearing on the proposal.

They suggest that it may be possible to have a land register where the title to each property from the time it was last examined by Registration Office may be noted so that the State would guarantee the title to the property only as on the date of the last dealing. This could not of course fully serve the object which Mr. Kirke-Smith proposes to carry out because in that case if the system be introduced investigation after the last conveyance would still have to be made with legal help. The advantage of such a land register would however be that the examination of title from commencement may not have to be repeated at each time of the transfer. This is a way in which the proposed system, if introduced, might be made to work in Bombay though it is difficult to assume how the Registrar guarantee the title even upto the date of last dealing.

My Committee think that provision will have to be made for protecting purchasers who may have been dispossessed by a person proved to have a superior title. In such a case they think that mere payment of compensation or damages by the State would not be adequate and the procedure adopted on acquisition of the property under the Land Acquisition Act may have to be adopted with the necessary adaptations.

A provision will also have to be made for noting the registration of devolution of title on bankruptcy, death, etc, and my Committee suggest that this could be done by an arrangement with the High Court and the Official Assignee. This is one of the ways in which devolution could be noted though it is not complete or exhaustive.

In the case of leases for a term in excess of one year, that fact should be indicated in the proposed Register so that the intending transferee may have notice thereof.

If the proposed system is introduced, it may not be necessary to make it compulsory to register documents and the present office of the Registrar and the proposed additional office could be amalgamated. These records must however be open to the public for inspection and should not, as observed by Mr. Stuart Wallace in the case of land register, be treated as confidential.

My Committee are of opinion that the decision of the Registrar should be subject to appeal ultimately to the High Court.

Judging from the experience in England it would seem that the profits made by the Registrar's Office would be large and my Committee suggest that these should be utilised in building up a reserve fund to meet the claims and should not benefit the General Revenue Account.

While offering these suggestions, my Committee realise that the various difficulties which have been indicated above could not be wholly or effectively remedied thereby. They think, however, that these would avoid the necessity of an investigation into the title from the commencement.

APPENDIX LXXII.

INDIAN LAC CESS BILL.

A Bill to provide for the creation of a fund for the improvement and development of the cultivation, manufacture and marketing of Indian lac.

WHEREAS it is expedient to provide for the creation of a fund to be expended by a Committee specially constituted in this behalf for the improvement and development of the cultivation, manufacture and marketing of Indian lac;

It is hereby enacted as follows :—

Short title, extent, and commencement.

1. (*1*) This Act may be called the Indian Lac Cess Act, 1930.

(*2*) It extends to the whole of British India, except Aden.

(*3*) It shall come into force on such date as the Governor General in Council may, by notification in the *Gazette of India*, appoint.

Definition

2. In this Act—

(*a*) "Collector" means a Customs-collector as defined in clause (*c*) of Section 3 of the Sea Customs Act, 1878 ;

(*b*) "Committee" means the Indian Lac Cess Committee constituted under Section 4* ;

(*c*) "lac" includes any form of manufactured or unmanufactured lac other than refuse lac ;

(*d*) "lac cess" means the customs duty imposed by Section 3.

Imposition of lac cess.

3. There shall be levied and collected on all lac and refuse lac produced in India and exported from any customs-port to any port beyond the limits of British India or to Aden a cess at the rate of four annas per maund in the case of lac, and two annas per maund in the case of refuse lac, or at such lower rate as the Governor General in Council may, on the recommendation of the Committee, by notification in the *Gazette of India*, prescribe.

Constitution of the Indian Lac Cess Committee.

4. (*1*) The Governor General in Council shall constitute a Committee consisting of the following members to receive and expend the proceeds of the cess :—

(*i*) the Vice-Chairman of the Imperial Council of Agricultural Research, *ex-officio* ;

* VIII of 1878.

(*ii*) the Inspector General of Forests, *ex-officio*;

(*iii*) the Forest Entomologist, Dehra Dun, *ex-officio*;

(*iv*) the Imperial Entomologist, *ex-officio*;

(*v*) the Conservator of Forests, Bihar and Orissa, *ex-officio*;

(*vi*) the Director of Agriculture, Bihar and Orissa, *ex-officio*;

(*vii*) the Director of the Lac Research Institute, Nankum, *ex-officio*;

(*viii*) three persons representing the shellac manufacturing industry, one to be nominated by the Bengal Chamber of Commerce, one by the Calcutta Shellac Brokers' Association, and one by the Mirzapur Shellac Manufacturers' Association;

(*ix*) one representative of the shellac export trade nominated by the Bengal Chamber of Commerce;

(*x*) one representative of the brokers of lac and shellac in Calcutta nominated by the Calcutta Shellac Brokers' Association;

(*xi*) five persons representing the lac cultivators' interests in Bengal, Bihar and Orissa, the United Provinces, the Central Provinces and Assam, one to be nominated by each of the Local Governments of those provinces:

Provided that, if, within the period prescribed in this behalf, or, in the case of first nominations under this Act, within a reasonable time, any authority or body fails to make any nomination which it is entitled to make under this section, the Governor-General in Council may himself nominate a member to fill the vacancy.

(*2*) The Vice-Chairman of the Imperial Council of Agricultural Research shall be *ex-officio* President of the Committee.

(*3*) The Secretary of the Committee shall be a person, not being a member of the Committee, appointed by the Governor-General in Council.

(4) Where a nominated member dies, resigns, ceases to reside in British India or becomes incapable of acting, the Governor General in Council may, on the recommendation of the authority or body which would have been entitled to make the nomination if it had been a first nomination under sub-section (1), or where such recommendation is not made within the prescribed period, then on his own initative, nominate a person to fill the vacancy.

(5) No act done by the Committee shall be questioned on the ground merely of the existence of any vacancy in, or any defect in the constitution of, the Committee.

Incorporation of the Committee.

5 The Committee so constituted shall be a body corporate by the name of the Indian Lac Cess Committee, having perpetual succesion and a common seal, with power to acquire and hold property both movable and immovable and to contract, and shall by the said name sue and be sued.

Application of the lac cess.

6. (1) At the close of each month or as soon thereafter as may be convenient, the Collector shall pay the proceeds of the lac cess, after deducting the expenses of collection (if any), to the Committee.

(2) The said proceeds and any other monies received by the Committee shall be applied to meeting the expenses of the Committee and the cost of such measures as it may, subject to the control of the Governor General in Council, decide to undertake for the improvement and development of methods of cultivation, manufacture and marketing of Indian lac.

Dissolution of the Committee.

7. The Governor General in Council may by notification in the *Gazette of India* declare that, with effect from such date as may be specified in the notification, the Committee shall be dissolved, and on the making of such declaration all funds and other property vested in the Committee shall vest in His Majesty and this Act shall be deemed to have been repealed.

Power of Governor General in Council to make rules.

8. (1) The Governor General in Council may, after consulting the Committee and after previous publication, make rules to carry out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may—

(*a*) prescribe the time within which nominations shall be made under Section 4;

(*b*) prescribe the term of office of the members of the Committee;

(*c*) prescribe the circumstances in which and the authority by which any member may be removed;

(*d*) provide for the holding of a minimum number of meetings of the Committee during any year;

(*e*) provide for the maintenance by the Committee of a record of all business transacted and the submission of copies of such records to the Governor General in Council;

(*f*) define the powers of the Committee and of the Director of the Lac Research Institute and of the Secretary to the Committee to enter into contracts which shall be binding on the Committee and the manner in which such contracts shall be executed;

(*g*) regulate the travelling allowances of members of the Committee and their remuneration, if any;

(*h*) define the powers of the Committee and of the Director of the Lac Research Institute and of the Secretary to the Committee in respect of the appointment, promotion and dismissal of officers and servants of the Committee and in respect of the creation and abolition of appointments of such officers or servants;

(*i*) regulate the grant of pay and leave to officers and servants of the Committee, and the payment of leave allowances to such officers and servants, and the remuneration to be paid to any person appointed to act for any officer or servant to whom leave is granted;

(*j*) regulate the payment of pensions, gratuities, compassionate allowances and travelling allowances to officers and servants of the Committee;

(*k*) provide for the establishment and maintenance of a provident fund for the officers and servants of the Committee, and for the deduction of subscriptions to such provident fund from the pay and allowances of such officers and servants, other than Government servants whose services have been lent or transferred to the Committee ;

(*l*) regulate the preparation of budget estimates of the annual receipts and expenditure of the Committee and of supplementary estimates of expenditure not included in the budget estimates, and the manner in which such estimates shall be sanctioned and published ;

(*m*) define the powers of the Committee, the Standing Executive Sub-Committee (if any), the President of the Committee, the Director of the Lac Research Institute and the Secretary to the Committee, respectively, in regard to the expenditure of the funds of the Committee, whether provision has or has not been made in the budget estimates or by reappropriation for such expenditure, and in regard to the reappropriation of estimated savings in the budget estimates of expenditure ;

(*n*) regulate the maintenance of accounts of the receipts and expenditure of the Committee and provide for the audit and publication of such accounts ;

(*o*) prescribe the manner in which payments are to be made by or on behalf of the Committee, and the officers by whom orders for making deposits or investments or disposal of the funds of the Committee shall be signed ;

(*p*) determine the custody in which the current account of the Committee shall be kept, and the bank or banks at which surplus monies at the credit of the Committee may be deposited at interest, and the conditions on which such monies may be otherwise invested ;

(*q*) prescribe the preparation of a statement showing the sums allotted to the provincial Departments of Forests or of Agriculture or to institutions or authorities not

under the direct control of the Committee for expenditure on schemes relating to the cultivation, manufacture or marketing of lac, the actual expenditure incurred, the outstanding liabilities, if any, and the disposal of unexpended balances at the end of the year ; and

(*r*) regulate the assessment, levy and payment of the lac cess.

9. The Committee may, with the previous sanction of the Governor General in Council, make rules consistent with this Act and with the rules made under Section 8 to provide for all or any of the following matters, namely :—

(*a*) the appointment of a Standing Executive Sub-Committee and the delegation thereto of any powers exercisable under this Act by the Committee ;

(*b*) the method of appointment, removal and replacement and the term of office of members of the Standing Executive Sub-Committee, and the filling of vacancies therein ;

(*c*) the appointment of the dates, times and places for meetings of the Committee and the Standing Executive Sub-Committee, and the regulation of the procedure to be observed at such meetings ;

(*d*) the determination of the circumstances in which security may be demanded from officers and servants of the Committee, and the amount and nature of such security in each case :

(*e*) the determination of the times at which, and the circumstances in which, payments may be made out of the provident fund and the conditions on which such payments shall relieve the fund from further liability ;

(*f*) the contribution to be paid from the funds of the Committee to the provident fund ;

(*g*) generally, all matters incidental to the provident fund and the investment thereof;

(*h*) the defining of the powers and duties of the Secretary of the Committee.

Publication of rules.

10. All rules made under Section 8 or Section 9 shall be published in the *Gazette of India*.

Repeal.

11. The Indian Lac Cess Act,* 1921, is hereby repealed.

Dissolution of the Indian Lac Association for Research.

12. Notwithstanding anything contained in the Societies Registration Act,† 1860, the Indian Lac Association for Research is hereby dissolved, and all monies and properties vested in it are hereby transferred to the Committee, subject to the payment of any outstanding claims incurred by the said Association under the Indian Lac Cess Act, 1921.

STATEMENT OF OBJECTS AND REASONS.

Under the existing Indian Lac Cess Act,‡ 1921, the proceeds of the lac cess are, after deduction of the expenses of collection, paid to the Lac Association. The control of these funds is vested in a Committee of the Association which has been constituted under the rules of the Association and not by any statutory authority. This Committee is composed of three representatives of Calcutta shippers, two of Indian manufacturers, two of Indian brokers, one of European manufacturers and one of European brokers. The Committee, through its control of the lac cess funds, controls also all expenditure on research which is carried out in the Lac Research Institute at Ranchi.

The Lac Association have represented to the Government of India that the Committe which is located at Calcutta, is not in a position to control effectually or to the best advantage the future conduct of research in the lac industry, having neither the necessary knowledge nor necessary experience. The Committee particularly feels its inability to bring home to the cultivator the results of the

* XIV of 1921. † XXI of 1860. ‡ XIV of 1921.

research work done at the Institute. The Association have accordingly recommended that the existing Lac Cess Act should be replaced by a fresh measure providing for a continuance of the Lac Cess and constituting Statutory Committee on the lines of the Central Cotton Committee, which should take over control of the Research Institute and should administer generally the lac cess funds. The Government of Bihar and Orissa, within whose jurisdiction the Research Institute is located, concur in this recommendation.

The Royal Commission on Agriculture have also in paragraphs 498 and 499 of their report emphasised the importance of bringing together the various interests in the lac industry somewhat on the lines of the Indian Central Cotton Committee, and of including in the body entrusted with the control of the cess funds nominees of the Government of India and of the Government of Bihar and Orissa and an official to represent the interest of cultivators.

The Government of India after giving the matter their careful consideration and after consulting Local Governments have decided to accept the recommendations of the Indian Lac Association and the Government of Bihar and Orissa.

The object of this Bill is to give effect to this decision. It is proposed that the Statutory Committee to be constituted should include technical experts in the employ of the Governments of India and Bihar and Orissa, as suggested by the Royal Commission on Agriculture and also representatives of manufacturers, shippers and cultivating interests. Opportunity is also taken in accordance with a recommendation of the Government of Bihar and Orissa to enlarge the definition of the objects to which the proceeds of the cess may be applied, so as to include within its scope the investigation of marketing methods and the promotion of sales.

It is also proposed in accordance with a recommendation made by the same Government that the new measure should be of a permanent character subject to a dissolution clause as in Clause 7 of the Bill. The rule making powers which it is proposed to take are analogous to those incorporated in the Indian Cotton Cess Act, 1923.

NEW DELHI:
The 8th February 1930.

G. RAINY.

Extract from a Letter No. 495, dated 6th March 1930, from the Chamber, to Sir Purshotamdas Thakurdas, representative in the Legislative Assembly.

Regarding the Indian Lac Cess Bill (No. 5 of 1930), they accept the principle underlying the same.

APPENDIX LXXIII.

INTERNATIONAL CONVENTION ON THE TREATMENT OF FOREIGNERS.

No. 1002, dated 19th May 1930, from Chamber to the Government of India, Commerce Department.

The attention of my Committee has been drawn to the question put in the Legislative Assembly on 24th March 1930 on the subject of the draft International Convention on the treatment of foreigners. They note from the replies of the Hon'ble the Commerce Member that Government were expecting the relevant documents from the Delegates and that the advisability of inviting the views of the commercial community on the subject was under consideration. I am directed by my Committee to enquire if the documents in question have been submitted to Government and whether it is proposed to invite commercial opinion on the subject.

I am further to request Government to be pleased to supply for the information of my Committee copies of relevant documents on the subject.

Extract from the Legislative Assembly Debates, dated Monday, 24th March 1930, Vol. I—No. 41.

DRAFT INTERNATIONAL CONVENTION ON THE TREATMENT OF FOREIGNERS.

Mr. Sarabhai Nemchand Haji: Has the opinion of the Government of India been invited on the draft International Convention on the treatment of foreigners? If so, do Government propose to invite the opinions of Indian commercial associations with a view to forwarding them to proper quarters?

The Hon. Sir George Rainy: The draft International Convention on the Treatment of Foreigners was discussed at a Conference held at Paris in November last. The decision arrived at was that the Delegates should submit to their Government for consideration all documents relating to the work of the Conference and ask them to forward to the Secretariat of the League before the 1st June 1930, any observations and suggestions which they may wish to make with regard to those documents. The documents are still awaited. When they are received, Government will consider the feasibility of consulting commercial opinion before communicating their views to the Secretariat of the League.

Sir Hari Singh Gour: Will the Government consider the advisability of consulting this House on the subject?

The Hon. Sir George Rainy: I am afraid that if the replies have to reach the League of Nations before the 1st of June, there may be no possibility of consulting this House.

Sir Hari Singh Gour: Is it necessary that Government must send the replies by the 1st June? In view of the fact that there will be a Simla Session, will it not be advisable for the Government to place this matter before this House and take the opinion of this house on a very important question like this?

The Hon. Sir George Rainy: I do not think it has been the practice of the Government at the stage which this question has reached to bring such question before the House. It is at the stage between signature and ratification that in certain cases Conventions are brought before the House.

Sir Hari Singh Gour: Is the Hon. Member quite sure about the practice in regard to the Washington Convention? Because, if I remember aright, it was first raised and discussed by this House before Government took the final action.

The Hon. Sir George Rainy: I should be quite ready to consider whether this is a suitable case in which to take the opinion of this House before sending our own opinion.

No. 102 (8) T & E, dated 29th May 1930, from the Government of India, to Chamber.

With reference to your letter No. 1002, dated the 19th May 1930, on the above subject, I am directed to say that all the documents relating to the work of the International Conference on the treatment of Foreigners have not yet been received by the Government of India. The documents so far received did not reach them until towards the end of April last, and as the papers are voluminous and the result of their examination is required to reach the Secretariat of the League of Nations before the 1st June 1930, it will not be possible to consult commercial opinion on the subject

2. I am to add that as no spare copies of the papers received are available, this Department regret that they are unable to comply with the request contained in the concluding paragraph of your letter.

No. 2037A, dated 16th June 1930, from Chamber to Government of India.

I am directed by my Committee to acknowledge the receipt of your letter No. 102 (8) T & E, dated the 29th May 1930. They note that it was not possible for Government to consult commercial opinion on the subject, because of the shortness of time within which Government had to submit their observations thereon. I am, however, directed to request that Government will be pleased to furnish, for the information of my Committee, a copy of the observations submitted on behalf of the Government to the League of Nations.

I am also to request Government to be pleased to obtain, for the information of my Committee, spare copies of the documents and papers on the subject from the League of Nations.

No. 102 (8)—T & E, dated 29th July 1930, from the Government of India to Chamber.

With reference to your letter No. 2037-A, dated the 19th June 1930, I am directed to say that it is not possible for the Government of India to furnish your Chamber with a copy of a communication which they have been requested to address to the Secretary General

of the League of Nations. They regret, therefore, that they are unable to comply with the request made in paragraph 1 of your letter.

2. The Government of India also regret that it is not possible for them to accede to the request contained in paragraph 2 of your letter as the Secretariat of the League is unable to supply sufficient copies of its official documents for general distribution to commercial bodies in the various countries. I am to add, however, that copies of the available documents relating to the Conference on the Treatment of Foreigners have been sent to the Federation of Indian Chambers of Commerce and Industry and the Associated Chambers of Commerce.

No. 3091, dated 26th August 1930, from Chamber to Government of India.

I am directed by my Committee to acknowledge the receipt of your letter No. 102 (8)-T. & E., dated the 29th July 1930, on the above subject, and to inform you that my Committee note with regret that it is not possible for the Government of India to furnish this Chamber with a copy of the communication addressed by them to the Secretary General of the League of Nations.

My Committee observe from the 2nd para. of your letter that it is not possible for the Government to accede to the request of the Chamber that they should be supplied with copies of the documents and papers on the subject of the Convention mentioned above on the ground that the Secretariat of the League has not been able to supply to the Governments of various countries sufficient copies of its Official documents for general distribution to commercial bodies in their respective countries. My Committee have to point out to you that this is an undesirable position as you will readily agree that the country in general and the commercial interests in particular are deeply interested in these International Conventions and the literature connected with them emanating from the League of Nations. It is, therefore, of considerable importance that they should have this literature before them in order to enable them to express their opinion and to understand how the proposed conventions are going to affect the interests of this country. My Committee would, therefore, urge upon the Government the desirability of requesting the Secretariat of the

League to supply them with sufficient copies of such official documents for general distribution to commercial bodies in the country. If, however, it is not possible for the Secretariat of the League to supply them with such copies, my Committee have to request the Government to print copies of such documents for distribution amongst the various commercial and industrial bodies existing in India. In this connection, my Committee would venture to draw your attention to the precedent of the Questionnaire published by the Government in 1928 in connection with "Protection against Accident of Workers engaged in Loading and Unloading ships." Under the circumstances, my Committee would express the hope that the Government would be pleased to favourably consider the suggestions put forth above.

No. 102 (8)—T & E, dated 17th October 1930, from the Government of India to Chamber.

I am directed to refer to the second paragraph of your letter No. 3091, dated the 26th August 1930, and to say that the Government of India have recently been informed by the Secretary to the Economic and Financial Section of the League of Nations that, for many reasons, of which budgetary reasons are not the least important, it is not possible for the League Secretariat to carry out a large distribution of the documents emanating from that section. Arrangements have, however, been made for the supply of a few copies of documents of economic importance for distribution in India, and a copy each of the papers received is forwarded regularly to the Federation of Indian Chambers of Commerce and Industry and the Associated Chambers of Commerce.

2. I am to add that this Department have, on certain occasions in the past, printed official documents of the League and distributed copies to commercial and other interested bodies and will continue to do so whenever such a course is found necessary and practicable. In the present case, however, owing to the voluminuous nature of the documents relating to the work of the International Conference on the Treatment of Foreigners, it is regretted that it is not possible to comply with the request of the Chamber.

I am however to say that publications of the League of Nations are available on sale and that the authorised agents for these publications in India are the Book Company Limited, College Square, 4-4A, Calcutta. I am also to suggest that since your Chamber is interested in the proceedings of the Economic and Financial Section of the League, it may wish to become a member of the Indian Branch of the League of Nations' Union and so keep in touch with the activities of the League.

No. 3696, dated 19th November 1930, from Chamber to the Federation of Indian Chambers of Commerce and Industry.

I am directed by my Committee to write to you in connection with the International Convention on the treatment of foreigners. My Committee will be much obliged if they will be informed by your Executive Committee whether (1) any steps have been taken by them to inform the Member-bodies in connection with the documents received by them regarding the above Convention, and (2) whether any expression of views of the Federation have been submitted to the Government of India.

My Committee would also like to know if the Government of India have asked for the views of the Federation on this important document, and if such views are not asked for whether your Committee propose asking the Government of India as to whether they want to consult the Indian commercial opinion regarding this question or not.

No. 1310, dated 27th November 1930, From the Federation to Chamber.

I beg to acknowledge receipt of your letter No. 3696 of the 19th instant on the above subject and to state that the Government of India in the Commerce Department sends merely for the information of the Federation a copy of the documents received by them, from the Economic and Financial Sections of the League of Nations. They have accordingly sent one copy of the Proceedings of the First Session of the International Conference on the treatment of Foreigners held in November, 1929. Besides this, there was no other document forwarded by the Government on this question to this office. They have neither asked the Committee of the Federation to express any opinion on the document. On the suggestion

of the Indian Chamber of Commerce in Great Britain this question was decided to be put on the agenda of the Committee at their next meeting and in the meantime the Government of India were enquired as to their policy with regard to the Convention. The Government of India have now replied that they had already communicated their observations on the documents relating to the work of the International Conference on the Treatment of Foreigners and that they are unable to furnish the Federation with a copy of the same. The question is on the agenda and will be considered by the Committee at their meeting which is expected to be held in the second week of December next.

APPENDIX LXXIV.

INTERNATIONAL REGULATION FOR SALES CONTRACTS.

No. I. N. C. 26, dated 30th January 1930, from the Indian National Committee, International Chamber, to the Chamber.

I have received a communication from the Secretary-General of the International Chamber of Commerce, Paris, stating that the International Chamber has been officially invited by the Dutch Minister of Foreign Affairs (through the Dutch National Committee of the International Chamber) to make known its views upon the regulations for sales contracts, a matter now being dealt with by the Hague Conference on Private International Law that has prepared a draft of International Convention to regulate conflicts of law in connection with the sales contracts and to lay down principles governing the laws to be applied to sales contracts in international transactions.

The International Chamber had already appointed a Committee to draft an official opinion on its behalf which was presented to the Conference of the International Law Association in Vienna in August 1926. The Hague Conference is a diplomatic conference which has met regularly since before the war at the invitation of the Dutch Government and includes only delegates of Governments.

The President, Mr. Theunis of the International Chamber, appointed a small Advisory Committee for the consideration of this question which is one of great legal complexity.

INTERNATIONAL REGULATION OF SELLING.

Inquiry among Organisation Members of the International Chamber of Commerce.

At the next Hague Conference on Private International Law, Governments will have to decide by international convention upon the law applicable henceforth to contracts concluded with foreign parties when the parties themselves have not agreed beforehand as to what law should apply, of course outside the sphere of imperative laws which the parties must obey.

Existing draft conventions lay down in principles that the law of the seller's country shall apply automatically except in the case of contracts concluded by the seller or his agent in the buyer's country or by a seller or his agent resident in that country; in this case the buyer's law should apply.

Questions of principle.—

1. Do you consider that the principle by which the law of the seller's country is applicable meets existing practical requirements ?

2. Do you think, on the other hand, that the opposite principle—application of law of buyer's country to contract—except when purchase is made by buyer or his agent in the seller's country—would better meet existing requirements ?

Subsidiary questions.

3. Is it true that at the present day the seller seeks the buyer, accedes to his conditions, is induced to acknowledge the law of the buyer's country—and no longer *vice versa* ?

4. Is it true that in international commercial law-suits at the present day the case is as a rule brought before the court of the buyer's country and is judged according to national law ?

No. 649, dated 20th March 1930, from Chamber to the National Committee.

With reference to your letter No. I. N. C. 26, of the 30th January 1930, my Committee's reply to the 4 questions put by the International Chamber is as under :—

(1) The principle that the law of the sellers country is applicable, meets with existing requirements, and consequently the reply to question No. 2 will be in the negative.

(2) My Committee's reply to both the subsidiary questions is also in the affirmative.

APPENDIX LXXV.

STORES.

New Stores Purchase Rules of the Government of India.

New Delhi, the 12th December 1929.

RESOLUTION—In their Resolution No. S.-217, dated the 13th September 1928, which was published in Part I of the *Gazette of India* of the 15th September 1928, the Government of India announced their decision to replace the existing arrangements for the supply of articles for the public service by a system of rupee tenders for delivery in India and published for criticism draft rules which had been framed to give effect to that policy.

2. After careful consideration of the criticisms received from the various Chambers of Commerce and other representative industrial and commercial organisations, the Governor-General in Council is pleased to direct that the rules appended to this Resolution shall regulate the purchase of stores by all Departments and officers of the Central Government and of the Provinces other than Governors' provinces with effect from the 1st January 1931. In the interval stores may be purchased in accordance with these rules whenever it is found convenient to do so.

ORDER.—Ordered that this Resolution be communicated to all minor local Governments, the several Departments of the Government of India (including the Financial Adviser, Military Finance), the Private and Military Secretaries to His Excellency the Viceroy, all Heads of Departments and Officers subordinate to the Department of Industries and Labour, the Auditor-General, the Financial Adviser (Posts and Telegraphs), and the Audit Officer, Indian Stores Department.

ORDERED also that the Resolution be communicated to the High Commissioner for India and to all Chambers of Commerce and that it be published in the Supplement to the *Gazette of India* for general information.

J. P. GANGULI,
for *Secretary to the Government of India.*

RULES FOR THE SUPPLY OF ARTICLES REQUIRED TO BE PURCHASED FOR THE PUBLIC SERVICE.

Preamble.

The policy of the Government of India is to make their purchases of stores for the public service in such a way as to encourage the development of the industries of the country to the utmost possible extent consistent with economy and efficiency, and the following rules, which are applicable to the purchase of stores (other than printing and stationery stores) for the Government of India and for provinces other than Governors' provinces are prescribed in accordance with this policy. These rules supersede all previous orders on the subject.

In order to give effect to the above policy preference in making purchases will be given in the following order :—

First, to articles which are produced in India in the form of raw materials, or are manufactured in India from raw materials produced in India, provided that the quality is sufficiently good for the purpose ;

Secondly, to articles wholly or partially manufactured in India from imported materials provided that the quality is sufficiently good for the purpose ;

Thirdly, to articles of foreign manufacture held in stock in India, provided that they are of suitable type and requisite quality;

Fourthly, to articles manufactured abroad which need to be specially imported.

Departments of the Government of India, or officers specially authorised in this behalf, may, when they are satisfied that such a measure is justified, allow a limited degree of preference in respect of price to articles produced or manufactured in India either wholly or in part.

Rule 1.—Save as provided in Rules 7 and 8, all articles required to be purchased for the public service shall be purchased on the condition that delivery shall be made in India for payment in rupees in India.

Rule 2.—Tenders shall be invited in India, and abroad also when considered desirable, for the supply of all articles which are purchased under rules 1 to 4, unless the value of the order to be placed is small or sufficient reasons to be recorded exist which indicate that it is not in the public interest to call for tenders. No tender which fails to comply with the condition as to delivery and payment prescribed in Rule 1 shall be accepted.

Rule 3.—All articles, whether manufactured in India or abroad, shall be subject to inspection before acceptance, and articles for which specifications and/or tests have been prescribed by competent authority shall be required to conform to such specifications and/or to satisfy the prescribed test or tests which may be carried out during manufacture or before or after despatch from the suppliers' premises.

Rule 4.—Important plant, machinery and iron and steel work shall be obtained only from firms approved by the Chief Controller of Stores, Indian Stores Department, and specified in the lists issued by him from time to time.

Rule 5.—In the case of important construction works let out on contract, articles required for the construction of such works may

be supplied by the contracting firm provided that when specifications and/or tests have been prescribed for such articles they shall conform to such specifications and/or shall satisfy such tests.

Rule 6.—Nothing in these rules shall be deemed to prohibit the purchase of articles by one Department or Railway from another.

Rule 7.—The article enumerated in Annexure A, or any other articles of a special or unusual character, may, when suitable and economical purchases cannot be made in accordance with the preceding rules, be obtained without reference to those rules subject to the following conditions :—

(*a*) Where the value of the purchase exceeds Rs. 5,000 the purchasing officer shall place on record his reasons for not affecting the purchase in accordance with the preceding rules.

(*b*) The purchasing officer may at his discretion either obtain the article that he requires by indent on the India Store Department, London, or purchase it direct from manufacturers or dealers abroad. Where resort is had to direct purchase from manufacturers or dealers abroad, tenders shall, whenever practicable, be first obtained (in rupees for delivery in India).

(*c*) When articles are purchased abroad under this rule through the agency of the India Store Department, London, payment shall be made by that department. In other cases payment shall be made—

(*i*) in countries other than Great Britain and Northern Ireland, direct to the suppliers by the purchasing officer ;

(*ii*) in Great Britain and Northern Ireland, through the High Commissioner for India.

Rule 8.—Lethal weapons, munitions of war, technical apparatus and equipment, and any other stores required by the Naval Military or Air Forces of the Crown in India for which

drawings, patterns, specifications or designs have been issued prescribed or announced by the Admiralty, War Office, Air, Ministry, Government of India, or Commander-in-Chief in India shall be obtained by indent on the India Store Department, London, unless they are available in India in accordance with the prescribed drawing, pattern, specification or design. Any departure from this rule requires sanction of the Government of India and whenever an expenditure exceeding Rs. 20,000 is incurred in any individual case to which such sanction has been accorded it shall be reported to the Secretary of State for India in Council.

ANNEXURE A (*See* Rule 7).

(*i*) Seeds.

(*ii*) Cinchona Bark.

(*iii*) Articles for experimental purposes.

(*iv*) China, glass, cutlery, plate, crockery and perishable fabrics, including linen for residences which are furnished by Government.

(*v*) Copper, 2 zinc and other non-ferrous metals produced in Australia, or America.

(*vi*) Timber produced in Australia or North America.

(*vii*) Such article as the Superintendents of Vaccine Depôts may require for the preparation of vaccine lymph.

(*viii*) Chemicals and scientific instruments.

(*ix*) Preserved and tinned foodstuffs.

(*x*) Articles required for Viceregal residences.

No. 297, dated 10th February 1930, from the Government of India, Department of Industries and Labour, to Chamber.

The Committee of this Chamber have seen the Resolution No. S-217, dated 13th September 1928, of the Government of India, Department of Industries and Labour, and the Rules referred to therein. The Resolution says :—

> " The view has been held in many quarters that the existing principles and procedure are not those best calculated to advance the general policy of Government in this matter, *viz.*, to make their purchases of stores

for the public service in such a way as to encourage the development of the industries of the country to the utmost possible extent, consistent with economy and efficiency."

I am directed to invite a reference to the letter of this Chamber dated 10th December 1924, in which it was pointed out in paragraph 5, that the Government of India Act reserved special power for the Secretary of State for India to make rules for the purchase of imported stores. My Committee have always felt that this restriction is responsible for the slow and unsatisfactory progress made in the direction of giving effect to Government's policy in the matter. They trust that this particular power would be relaxed and that the Government of India would be invested with full authority to make their own arrangements in the matter of securing requirements for the departments of Government in the best manner possible.

My Committee would further urge what public opinion in India has frequently pointed out, that the enunciation of Government's policy in the above terms, *viz.*, to purchase " consistent with economy and efficiency," has been availed of to effect purchases in the United Kingdom often at high prices as compared with purchases in the Continent, and also has been used in order to drive out the Indian producer. In order that this may not happen, my Committee made a suggestion in 1924 that the rules should specifically provide that each purchasing officer should, without reference to his superior, be authorised to purchase an article made in India so long as it is capable of being used for the purpose for which it is required, even if the lowest Indian price is ten per cent. over the lowest foreign quotation. The new rules mention " a limited degree of preference in respect of price " and as this is capable of being misinterpreted, a distinct provision as to the percentage should be put in. This would be the provision for each individual purchaser if the purchase is made not through the Indian Stores Department, but my Committee would say that there might be circumstances justifying a larger preference. Such a preference may be wanted only for a short period on account of some exceptional circumstances. In all such cases where, therefore, the Indian prices exceed by ten per cent., it should be laid

down that the purchasing officer should make a reference to the Chief Controller of Stores provided the amount of the purchase does not exceed Rs. 500. The Chief Controller of Stores, an officer of high standing in direct touch with the Government of India through the Honourable Member of his Department, should be vested with a much larger discretion, subject to his stating the reasons in his report to Government for this larger preference. But my Committee feel that there should be no legal or constitutional bar to a larger preference. Nor should the consideration of such preference be altogether precluded by the wording or interpretation to which the rules may be put.

Another important point of principle and practice, which my Committee feel is essential before the results aimed by the Legislature could be secured, is the abolition of the India Store Department in London as a separate organisation. It may be readily granted that there will be need for importing certain materials from abroad even if the contract for them may be placed in India and that this material may have to be inspected abroad. An inspection organisation in the United Kingdom or in other markets may exist under the direct control of the Indian Stores Department. My Committee see no justification as a matter of business practice in the maintenance of two separate purchase organisations with all their ancillary machinery for the same purpose both on the question of cost and on the inevitable rivalry or intolerance which might arise between two such organisations. They had urged this reform in 1924 and I am to express regret that Government have not seen their way to effect this much-needed change even as late as to-day.

I am now to offer criticism in detail of the rules as they have been framed. My Committee would suggest the addition in the Preamble after the words "consistent with economy and efficiency," "subject to the limits of discretion laid down hereunder."

My Committee are not clear as to the reasons for the exclusion of printing and stationery from the operation of these rules and would request to be enlightened on the subject.

With regard to Rule 3, my Committee do not object to it, but would like to see that provision should be made in the rules that

the compliance with specifications and tests and the inspection should be the same for an article purchased abroad under any circumstances. The attention of my Committee has been drawn to a case where articles that were inspected in the United Kingdom and passed, were rejected on inspection in India, pointing therefore to the existence of a more difficult standard in India than in the United Kingdom.

In the matter of Rule 7, my Committee are anxious that with regard to articles enumerated in Annexture "A," efforts should be made to secure them in India, or to substitute such articles as are produced in India, and the obligation to make such effort should be laid on every purchasing officer. The loophole, which is left by giving him authority to go behind the rules with regard to "any other articles of a special or unusual character" must apply to articles of very small value, or there must be some special circumstances attached to the purchase. On all such purchases effected under Rule 7, outside the operation of the Rules 1 to 6, a report should be secured and a note on the subject should be circulated by the Chief Controller of Stores to the various Chambers of Commerce to enable manufacturers to see in which direction they could extend their activities and why the articles produced by them were not found suitable for the requirements of Government departments. My Committee would suggest a modification of Rule 7 (*a*) and put down the amount therein as not Rs. 5,000, but Rs. 500. With regard to Rule 7 (*b*), my Committee had previously suggested, and would reiterate, that all indents for foreign articles should be submitted to the Chief Controller of Stores in India and should be sent out through him, so that his scrutiny may either eliminate such indent if the article is available in India, or may result in suggestions being made to manufacturers for producing these articles. The object of this suggestion is that an individual purchasing officer may be in ignorance that certain articles, which he requires, are being produced in India. Such articles may be actually in use by sister departments of Government or by railways and other public bodies and yet indents may be sent abroad through ignorance. In order to obviate this, it is essential that all indents should be sent through the Indian Stores Department, which would have the additional merit of them being pooled as and when the occasion required. The Rule 7 (*b*) should be therefore modified.

There would be a consequential modification in Rule 7 (c) as the payment would also be effected through the Indian Stores Department through their branch in the United Kingdom. If it is to be effected in any other currency except the Indian currency, arrangements for the payment would be made through the Finance Department of the Government of India and their bankers.

With regard to Rule 8, my Committee have previously taken objections to the absolute control from the United Kingdom of the requirements for naval, military and air forces, which are being paid from the revenues of India. One direction, in which this control is exercised, is in the laying down of designs, drawings and patterns. The Indian Stores Department is equipped with a large technical staff and there is no reason why, if necessary, with further assistance either temporary or permanent, the entire control of all these drawings, patterns, specifications and designs, should not be with them. There is nothing to prevent, for the purposes of uniformity, the adoption of the same drawings and patterns, but, if the control is vested in the Indian Stores Department, the decision on all matters of purchase would not pass out of their hands as at present. Rule 8 is too wide, in the opinion of my Committee, and not only compels purchases mentioned therein being effected in the United Kingdom for the time being, but would tend to perpetuate that condition, which is most undesirable.

In the same manner as indicated above, my Committee would like the indents to be sent with regard to Rule 8 through the Indian Stores Department of Government of India, so that there may be the same scrutiny and the same effort to extend purchases in India.

My Committee, as practical businessmen, would not suggest any rules for the holding up of the operations of any department, but they think it objectionable in principle that where the Government of India are fully satisfied with regard to purchase in India of any articles mentioned under Rule 8, there should be an obligation on them to report to the Secretary of State in cases in which such sanctions have been given by the Government of India. My Committee feel that the new stores purchase rules, if they are to be useful for any length of time, ought to be free from any implication that Government of India are not the supreme authority

on the subject. Further, my Committee would like to know how it is expected that an individual purchasing officer, who purchases for the naval, military and air forces paid for from the revenues of India, is expected to know whether any article of the required pattern, drawing and specification or design is or is not available in India. In order to save himself the trouble he may continue to send out the indent to the United Kingdom unless such indents are sent through the Indian Stores Department of the Government of India.

My Committee would, in conclusion, express satisfaction that a much delayed reform in the matter of the purchase in India by open tender for delivery in India and payment in India in rupees, is about to be effected. They trust that the several directions, in which suggestions have been made above, will receive the favourable consideration of Government, and that the Rules, which are to have effect eleven months hence, would be modified and would be brought into operation as early as possible.

No. S 217, dated 23rd June 1930, from the Government of India to Chamber.

I am directed to refer to your letter No. 297, dated the 10th February 1930, on the above subject and to communicate the following observations of the Government of India on the suggestions made by your Chamber. These will be dealt with, seriatim, in the following paragraphs, in the order given in your letter under reply.

2. *Paragraph 2 of your letter.*—Your Chamber appears to be under a misapprehension as regards the present constitutional position. As far back as the 1st March 1927, it was announced by Sir Bhupendra Nath Mitra in the Legislative Assembly, in answer to a question by Mr. M. A. Jinnah, that the Secretary of State for India had recently agreed to confer on the Government of India full powers in regard to central expenditure on imported stores, other than military stores. It was also mentioned that local Governments of Governors' Provinces now possess full powers in regard to expenditure on purchase of imported stores. A comparison of Rule 8 of the new Rules promulgated in this Department's Resolution No. S 217, dated the 12th December 1929, with

the corresponding old rules will make it clear to your Chamber that even in respect of military stores there has been a very substantial devolution of authority.

3. *Paragraph* 3 *of your letter.*—The Preamble to the new Rules provides that " Departments of the Government of India or officers specially authorised in this behalf may, when they are satisfied that such a measure is justified, allow a limited degree of preference in respect of price to articles produced or manufactured in India either wholly or in part." Your Chamber is of opinion that specific provision should be made authorising every purchasing officer, to give without reference to his superior, a price preference in favour of the Indian article, up to the extent of ten per cent. over the lowest foreign quotation, and that the Chief Controller of Stores should be authorised to give even a larger preference. The Government of India regret their inability to accept this suggestion of your Chamber. In the interests of the general taxpayer and of the finances of the country, it is obviously essential that purchases should be made with due regard to the principles of economy and efficiency. The Government of India have no evidence that these principles are utilized so as to give British manufacturers preference over Indian or foreign manufacturers. The new Rules give Indian manufacturers a decided preference over British as well as foreign manufacturers, and in order to ensure that British manufacturers are not given an unfair advantage over their competitors abroad, the High Commissioner is required to send out statements showing particulars of all cases in which tenders other than the lowest have been accepted, with the reasons for accepting the higher tenders. These statements are placed on the table of the Legislative Assembly and are circulated to the Chambers of Commerce in this country. After careful consideration of all the relevant circumstances the Government of India regard it as very desirable that both the grant of a price preference and the extent of the preference to be allowed should be closely controlled.

4. *Paragraph* 4 *of your letter.*—The question of the future of the London Stores Department is receiving the careful consideration of the Government of India. In this connection the Government of India wish to emphasize the point that the London Stores

Department is a part of the office of the High Commissioner for India and as such entirely under the control of the Government of India, and that the Secretary of State for India is no longer concerned with the control of that department.

5. *Paragraph 5 of your letter.*—In view of what has been stated in paragraph 3 above, it is obvious that the Government of India cannot agree to the suggested addition to the Preamble, which in any case appears to be redundant in view of the provisions of paragraphs 2 and 3 of the Preamble.

6. *Paragraph 6 of your letter.*—The purchase of printing and stationery stores has always been regulated by a separate set of rules, and the question of amending those rules on the lines of the new Stores Purchase Rules is receiving the consideration of the Government of India.

7. *Paragraph 7 of your letter.*—In the absence of the particulars of the case referred to in your letter, the Government of India are unable to determine whether it actually indicates the existence of different standards of inspection in India and England. In any event no case has come to their notice which shows that a less rigid standard is adopted by the London Stores Department than by Departments in India. When stores are purchased abroad through the agency of the London Stores Department, they are usually bought to specifications or samples which have been prepared, or approved, as the case may be, with reference to the conditions existing in India, and inspection is carried out in close conformity with such specifications or samples. The case of stores purchased in India which have to be manufactured abroad is covered by the provisions of Rule 3 which lays down that stores shall be inspected and must conform to such specifications and tests as may have been prescribed. There thus remains only the case of stores purchased direct from abroad by purchasing officers in India. It is open to these officers to have such stores inspected by the London Stores Department, and in cases where this is done, the stores would certainly be inspected with reference to any specifications or samples that may exist. In cases where no such specifications exist, adequate steps would be taken by the inspecting agency to ensure that the goods were of suitable quality. There

remain therefore only the cases in which purchase is made direct from abroad and inspection is not entrusted to the London Stores Department. It is not necessary to make any provision to cover such cases, as most of them would relate to articles of standard descriptions which do not need any close scientific inspection.

8. *Paragraph* 8 *of your letter.*—The question of issuing subsidiary instructions to ensure that the spirit of the rules is not violated by individual purchasing officers taking undue advantage of the provisions of rule 7, and, the suggestion made by your Chamber for the periodical publication by the Indian Stores Department of particulars of all orders placed abroad are receiving the consideration of the Government of India. They are, however, unable to accept the suggestion of your Chamber for changing the limit mentioned in Rule 7 (*a*) from Rs. 5,000 to Rs. 500.

9. *Paragraphs* 9 *to* 11 *of your letter.*—It has already been explained in paragraph 2 above, that the Secretary of State for India, far from retaining "absolute" control over the purchase of military stores, has relaxed his control to a large extent. In order, however, to ensure that full advantage is taken of the resources of India and to avoid any evasion of the rules, the Government of India are at present considering the question of requiring all orders placed abroad, whether on the London Stores Department or direct on the suppliers, to be forwarded to the Indian Stores Department for prior scrutiny.

10. The Government of India are glad to observe from the general tenor of your letter that the Indian Stores Department has gained the confidence of the Indian Merchants' Chamber and other allied bodies. The Department was, as the Chamber is aware, constituted about $8\frac{1}{2}$ years ago only, and it was considered desirable that it should be developed—gradually as it acquired experience of the highly specialised and important work entrusted to it.

It will be observed from the following figures that there has been a steady increase in the volume of the purchase and inspection work dealt with by the Department and your Chamber may rest assured that all feasible steps will be taken in the future to encourage the utilisation of the services of the Department for the

purchase of the requirements of the Central Departments, over which alone the Government of India have, under the existing constitution, any direct control :—

Years.	Value of stores.		Tonnage of stores inspected and charged on weight.
	Purchased.	Inspected and charged on cost.	
	Rs.	Rs.	Tons.
1923-24 ..	1,67,24,401	2,21,45,403	1,71,797
1924-25 ..	2,59,11,141	2,13,73,382	2,51,760
1925-26 ..	2,66,67,933	3,98,78,885	2,92,050
1926-27 ..	3,98,82,245	5,19,88,643	3,36,368
1927-28 ..	3,73,04,672	5,73,10,815	3,31,628
1928-29 ..	3,60,48,074	5,42,33,106	2,18,764
1929-30 ..	4,29,26,452	7,56,56,095	3,43,109

APPENDIX LXXVI.

DISCONTINUANCE OF THE PUBLICATION OF "CLASSIFIED LIST OF STORES."

No. K. 107, dated 7th August 1930, from the Chief Controller of Store, Indian Stores Department, to Chamber.

I have the honour to invite a reference to this office letter No. K-107, dated 13th April 1926, on the subject cited above.

As you are no doubt aware, under the revised " Rules for the supply of articles required to be purchased for the public service," which will come into force from the 1st January 1931, most of the requirements of the Central Government will be purchased on the Rupee tender system, for delivery in India and payment in Indian Currency. On the introduction of these rules, the demands going to the Director General, India Store Department, London, will be reduced to articles referred to in Rules 7 and 8 thereof, *viz.*, that which cannot suitably be purchased in India and in which your Chamber is, I presume, not interested.

I observe that the demand for the publication which costs some money in its preparation has been diminishing gradually and I am informed by the Manager of the Central Publication Branch, Calcutta, that only five copies were sold of the compilation relating to the last two months of the year 1929. In these circumstances I propose to discontinue the publication of the lists but shall be glad to receive the views of your Chamber before doing so.

No. 3069, dated 22nd August 1930, from Chamber to the Indian Stores Department.

Your letter No. K-107 of the 7th August 1930 was considered by my Committee at their last meeting, and in reply I am directed to inform you that in view of the circumstances mentioned by you, they have no objection to the above publication being discontinued.

APPENDIX LXXVII.

GENERAL TRADE AND INDUSTRY

Salt Industry Tariff Board Enquiry.

TARIFF BOARD KINDERSLEY.

Ootacamund : Dated 16th August, 1929.

PRESS COMMUNIQUE.

In their Resolution No. 601-T (1) dated 25th July 1929, the Government of India have asked the Indian Tariff Board to report whether, having regard to all relevant consideration, it is desirable

in the national interest that steps should be taken to encourage the production of salt in India suitable for consumption in those markets which are at present largely supplied from abroad and if so, what measures they recommend.

2. The principal markets in India which rely on imported salt are the Bengal and the Burma markets. The Board proposes to commence this enquiry by investigating conditions in India, leaving for consideration at a later date the problem of imported salt in Burma. The import of fine white crushed salt from abroad into Bengal is about 120 lakhs of maunds and of white uncrushed salt (karkarch) about 12 lakhs of maunds annually. In the main therefore the problem before the Board is to determine whether it is desirable in the national interest that steps should be taken to encourage the production of fine white crushed salt in India.

3. It is first necessary to consider whether there are any localities in India suitable for the production of this class of salt. In this connection a considerable amount of exploratory work has already been done and after a consideration of the material before it the Board believes that the most suitable method of initiating the enquiry will be by investigating the possibilities of the principal centres of salt manufacture, of which Karachi and Sambhar Lake are stated to be the most important within the Continent of India. Since the cost of manufacture is a factor of the utmost importance in determining whether the country's interests will be best served by the manufacture in India of salt at present imported from abroad, the Board will first direct its attention to this aspect of the problem. It will also consider the agency by which manufacture can best be undertaken, that is to say, whether a system of Government manufacture as at Sambhar or a system of private manufacture under Government supervision, such as at present prevails at Karachi, will best conduce to cheap production or whether these systems should be superseded by any other system. Further, since the cost of transport constitutes the largest item in the determination of the wholesale price of salt, the possibility of a reduction in freights must also be considered. In this connection the effects of large scale production must not be overlooked; for rates for transport are to some extent dependent on the quantity of freight

offered and the regularity of shipment, while facilities for loading and handling, which are not at present available, may prove feasible for large shipments.

4. The Board would be glad to receive the views of manufacturers who at present produce white crushed salt or contemplate such production on the points indicated above together with a statement in detail of their costs of production. Manufacturers who claim that protection should be extended to the production of fine white crushed salt, should also submit formal applications, stating the grounds on which protection is claimed, the extent of protection required and the form in which they consider that protection should be extended.

5. The Board hopes to visit Karachi in the 2nd week of November and the Sambhar Lake early in December. Representations from manufacturers, (with five spare copies) addressed to the Secretary, Indian Tariff Board, Kindersley, Ootacamund, should be forwarded to reach the Board not later than September 30th.

6. On receipt of representations from manufacturers, the Board will be in a position to issue a general questionnaire and to arrange its tour programme in such a manner as to afford an opportunity for all those interested in the enquiry, both producers and consumers, to put forward their views on the subject.

R. L. WALKER,
Secretary, Tariff Board.

Memorandum Submitted by the Committee of the Indian Merchants' Chamber to the Tariff Board Regarding Salt Enquiry, dated 1st February 1930.

The main and the fundamental demand of the Indian people in connection with the Salt duty has been from the very start that one of the prime necessities of life, human, animal and plant, is being taxed for purposes of revenues at several times more than its cost at the source of production. The Committee hardly think it necessary to dwell here on the great necessity of salt for the health of men and of animals, and for purposes of better yield from the soil. They take it for granted that the Government of India

have referred this question for enquiry to the Tariff Board after being fully convinced of the necessity of salt being made available to the public of India as cheaply as possible.

It is undoubtedly true, even though it may be most unfortunate, that the Central Administration cannot afford to be without the income of about five crores of rupees a year that is derived from the salt duty. However much, therefore, the Committee would like this duty to be abolished, they realise the practical difficulty of its immediate abolition; but they consider it necessary that the goal of Government should be to reduce the tax on salt to as insignificant a rate as possible, and the Committee feel that it should be possible to reduce the rate to four annas per maund.

The most feasible method of bringing about a reduction in the salt tax in the near future would be to increase the production of salt in the country in every possible manner with a view to increasing its consumption by putting it within easy and cheap reach of the people. At present about 600,000 tons of salt are imported annually mainly for Bengal and Burma. It is contended that it is found necessary to import salt from abroad, because the quality of Indian product is lower than that of the imported article. The Committee are convinced that it is feasible to produce in India the same quality of salt as is imported in Burma and Bengal. They understand that various schemes have been submitted to the Tariff Board in this connection and they have no doubt that the Board will examine them.

Railway freight on salt, a prime necessity as mentioned above, is several times higher than those on coal, for instance, and the Committee feel that a substantial reduction in freight may be justified.

Of about 600,000 tons of salt that is imported, more than 200,000 tons come from Aden. The connection of Aden with India is slowly being undermined in spite of the protests of the Indian public and the Committee do not recommend any differentiation for duty purposes between salt produced in India and salt produced in Aden as long as Aden continues to be a part of India. In the event of war, or any such unforeseen eventuality, salt from

Aden will be coming in India cheaper than salt from Egypt or the United Kingdom. Freight from Aden may, however, be interfered with in such an eventuality and may be higher than what it is at present. But it must also be recognised in such an event that concerns established and working in this country will have Railway facilities for transport. The Committee may be allowed to point out in this connection that if protection in any form is given to the salt industry, the benefit of such protection should not go to works which, even if they were located within the political jurisdiction of India, were controlled or owned by foreigners. In this regard they would advocate the salt works owned by Indians at Aden being allowed the same full and free scope as the existing and prospective works in India.

The Committee understand that the main difficulty in connection with the retail sale of salt at present is that once the commodity leaves the Government godowns, the retailers have absolutely a free hand as far as the quality is concerned, and instances of mixing salt with earth in order to profiteer have been and are unfortunately not lacking. The Tariff Board will doubtless examine this complaint, but the Committee are aware of the handicaps and difficulties in revising the present system which has been in vogue for more than half a century.

The Committee are convinced that the main demands of the Indian public are :

(1) Salt should be made available to them at far cheaper rates than at present.

(2) Imports from abroad should be replaced as early as possible by salt produced locally.

(3) The consumer should get salt in adequate quantities all through the year without any unjustified increase in the cost to him.

(4) Earth salt should be available for manure purposes at a cost price with minimum railway freight.

(5) Salt fit for consumption by horses, cattle, etc., should be made available at as cheap a rate as possible, and in large quantities.

These are the requirements of the country and the Committee feel that with the production of salt within and at its very doors, India should have the fullest benefit of that commodity within a few years after the present system and policy of the Government are revised.

The Committee have heard it mentioned that it might be necessary to have a marketing Organisation for salt in the initial stages. They, themselves, recommended such an organisation for the Match industry. If in the case of salt, the Tariff Board come to the conclusion that the difficulties of marketing are fewer and less than has been the case with matches, any concrete suggestion would be welcome.

In conclusion, the Committee wish to reiterate their conviction that the advisability and feasibility of doing away with imported salt is clear, and they further wish to submit that the control by a conference of foreign importers of the sale in two large provinces of India is wholly undesirable and should be put an end to by every means within the power of Government. Few countries in the world can be cited to as being at the mercy of foreign manipulators in salt rates, who have been impending the growth of local manufacture by tactics that only make our people economically helpless and subservient.

J. K. MEHTA,
Secretary.

Copy Telegram, dated 17th September 1930, addressed by the Committee of the Indian Merchants' Chamber, Bombay, to the Government of India, Department of Commerce, Simla :

" Committee Indian Merchants' Chamber draw attention of Government to the need for prompt and immediate interim assistance to Indian Salt works including Aden as recommended by the Tariff Board. Unless this is done they fear, with the Tariff Board, that Salt works at Karachi, Okha and at Aden may be crushed out of existence by pressure of foreign competition. Committee emphasise the need for immediate action the more so as the recommendations of the Tariff Board in that behalf made on the 26th March 1930 and further reiterated by the Board on the 7th June 1930 were considerably delayed and the report has been published after considerable delay. Committee regret that Government

should have taken such a long time in publishing a report on such an important subject. The position of the indigenous industry, bad as it was when it was under the consideration of the Board, has been worsened by the intensive rate-war and dumping carried on by the Port Said and Italian foreign syndicates as evidenced by the present low level price of rupees 40, when according to the Tariff Board the standard price ex. ship is rupees 66 for hundred maunds. The situation thus created is much worse than was prevalent when the Tariff Board had the question under consideration. The national interests of a truly national Industry, to which the eyes of the whole of India are turned today, demand immediate attention, and any delay is not only likely to be ruinous to the industry but will create an impression which any subsequent action of Government may probably not be able to eradicate. Committee, therefore, strongly urge Government to check large scale dumping specially of Port Said and new Italian works of Assab and Ras Hafun and take such action as would stabilize prices and put indigenous Industry on economic standard level as recommended by the Tariff Board. Committee will hereafter express their views in detail on the report of the Tariff Board on Salt, but the need for immediate action being great and vital, they take this opportunity to draw the attention of Government and urge immediate action. In this connection Committee would draw attention of Government to the assurance given by the Honourable Sir George Schuster on the 20th March 1930, an assurance which had the effect of terminating the Debate on the Indian Finance Bill, and trust that the assurance so given on that important occasion will now be carried out, the more so as the report for which the Finance Member was looking to has now been published, endorsing the demands of the Industry and the country—Inchambu."

No. 3430, dated 29th October 1930, from Chamber to the Government of India, Commerce Department.

I am directed by the Committee of this Chamber to forward to you hereby their views on the Report of the Indian Tariff Board on their Enquiry into the Salt Industry.

The Committee have examined the Report in all its bearings and they approve of the general recommendations made therein. They would, however, like to lay emphasis on the need of making

India self-sufficient in her supply of salt from Indian works, including those in Aden, by such measures as would enable the Indian industry to develop on the lines indicated by the Tariff Board. The Committee, while in general agreement with the recommendations of the Tariff Board, would urge upon Government to devise such measures as would achieve the same purpose of protection to the Indian industry as outlined in the scheme *re:* Government controlling agency proposed by the Tariff Board. They are convinced that such measures can be brought about by mere changes in administration of the Salt Department as suggested by the Hon'ble Sir George Schuster in his speech of the 20th March 1930. It is within the competency of Government to control imports of commodities and the suggestion of the Tariff Board fits in with the general salt policy of Government in other parts of India where salt production, even though it is carried out by private agencies, is under the control of Government. If controlling measures gave preference to Indian salt and admitted the balance of requirements from non-Indian sources at standard rates suggested by the Tariff Board, the Indian industry, in the opinion of the Committee, would get the necessary support and would be able to develop on the line of least resistance by the existing trade organisations, consumers and Government Salt Department. As to what the exact administrative changes should be for the purposes of establishing the control agency, the Committee would leave the trade, representatives of producers and the Salt Department of Government to devise.

As regards the immediate necessity of protecting the Indian Salt industry, from the competition of foreign manufacturers, the Committee emphatically urge upon Government to put a stop to the heavy dumping by carrying out interim measures suggested by the Tariff Board, and in this connection, they once more reiterate the views expressed by them in their telegram to Government of the 17th September 1930.

Telegram, dated 4th December 1930, from Chamber to Government of India.

I beg to confirm the telegram sent to you to-day as under :—

"Committee Indian Merchants' Chamber refer to correspondence ending with their letter of 29th October regarding

protection to Salt industry. They regret that no action has yet been taken to relieve this Industry which is faced by a grave crisis. Pending any action which Government may contemplate taking in this connection Committee suggest levying an additional duty of four annas on foreign salt—Inchambu."

APPENDIX LXXIVIII.

INDIAN MATCH INDUSTRY—UNFAIR COMPETITION.

No. 3470, dated 3rd November 1930, from the Chamber to Government of India, Commerce Department.

The attention of my Committee has been drawn to the representation which has been addressed to the Government of India by the Indian Match Manufacturers' Association, dated 15th September 1930. My Committee have carefully considered it and find that the price-cutting against which the Committee of this Chamber protested both in 1928 and 1929 is now being resorted to to even a much larger extent. My Committee beg to request therefore the Government of India to be pleased to look into this question and take such steps as may be desirable to prevent indigenous Indian companies from being swamped by the operations of the Swedish Match Trust.

APPENDIX LXXIX.

STEEL INDUSTRY PROTECTION BILL.

A Bill to amend the law relating to the fostering and development of the steel industry in British India for certain purposes.

WHEREAS it is expedient to amend the law relating to the fostering and development of the steel industry in British India for the purposes hereinafter appearing; It is hereby enacted as follows:—

1. (*1*) This Act may be called the Steel Industry (Protection) Act, 1930.

Short title and commencement.

(2) It shall come into force on such date as the Governor General in Council may, by notification in the *Gazette of India*, appoint.

Amendment of Second Schedule to Act VIII of 1894.

2. In the Second Schedule to the Indian Tariff *Act, 1894, there shall be made the amendments specified in the Schedule to this Act.

THE SCHEDULE.

(*See section* 2.)

AMENDMENTS TO THE SECOND SCHEDULE TO THE INDIAN TARIFF ACT, 1894.

1. In item No. 61, in the fifth sub-item (relating to IRON or STEEL railway track material not otherwise specified), after the words "fastenings therefor", the words "other than tie-bars" shall be inserted.

2. In item No. 62, in the fifth sub-item (relating to STEEL, bar and rod), in part (*c*) thereof—

(*a*) for the entry "(*i*) rounds under ½ inch diameter", the entry "(*i*) rounds not over 7/16 inch diameter" shall be substituted ; and

(*b*) for the entry "(*ii*) squares under ½ inch side" the entry "(*ii*) squares not over 7/16 inch side" shall be substituted.

3. In item No. 150—

(*a*) in part (a) of sub-item A, entry (*iii*) relating to spikes and tie-bars shall be omitted ;

(*b*) in part (b) of sub-item A, the words "spikes and tie-bars" shall be omitted ; and

* VIII of 1894.

(*c*) the following sub-item shall be added, namely :—

" D. Spikes and tie-bars—

of British manufacture . .	Rs. 26 per ton.
not of British manufacture . .	Rs. 37 per ton.

STATEMENT OF OBJECTS AND REASONS.

Under item No. 152 of the Tariff Schedule read with item No. 62 (*c*) (*i*) and (*ii*) thereof, round and square bars and rods of sizes $\frac{1}{2}$ inch and above are liable to a protective duty of Rs. 26 or 37 per ton, according as they are of British manufacture or not. It has been represented to Government that steel bars of sizes of 15/32 inch and 31/64 inch, manufactured to special orders for use in substitution for $\frac{1}{2}$ inch bars, are being imported with the object of evading the protective duty leviable on $\frac{1}{2}$ inch bars. Statistics specially maintained to watch the imports of bars and rods show that the importations of these special sizes are increasing. As there is no stock size intermediate between $\frac{1}{2}$ inch and 7/16 inch, it is evident that the object of these importations is as stated above and that as far as $\frac{1}{2}$ inch bars and rods are concerned the intention of the Steel Industry (Protection) Act, 1927, is being defeated to a considerable extent. It is accordingly proposed to bring all steel bar and rod over 7/16 inch under the protective duty so as to make the protection granted to $\frac{1}{2}$ inch bars fully effective. Item 2 of the Schedule to the Bill provides for this.

2. The Tariff Board, in paragraph 159 of their Report regarding the continuance of protection to the steel industry, recommended that spikes and tie-bars should be subject to the same protective duties as bars so that the basic duty would be Rs. 26 per ton and the additional duty Rs. 11 per ton. Item No. 150 of the Indian Tariff Act which was inserted by the Steel Industry (Protection) Act, 1927, was intended to give effect to this recommendation. It has been held, however, that the wording of the entry does not in fact carry out the intention, and that tie-bars for cast iron sleepers are not subject to the protective duty leviable thereunder, but are assessable at 10 per cent. *ad valorem* as 'fastenings' for such sleepers under item No. 61. Items 1 and 3 of the

Schedule to the Bill accordingly amend items Nos. 61 and 150 of the Import Tariff, so as to give full effect to the scheme of protection adopted by the Legislature.

G. RAINY.

S. C. GUPTA,

Secretary of the Legislative Assembly.

Extract from a letter No. 495, dated 6th March 1930, from Chamber to Sir Purshotamdas Thakurdas, representative in the Legislative Assembly.

Regarding the Steel Protection Bill (No. 8 of 1930), the Committee have no objection to the amendments proposed in the Schedule to the Indian Tariff Act, but in order to protect the interests of those who have already placed orders prior to the Notification of the Bill, changes proposed to items Nos. 62 and 150 relating to Steel Bar and Rod, etc., should come into effect only after three months from the date on which the Bill was published.

APPENDIX LXXX.

Increased Protection to Galvanised Iron and Steel Sheets.
No. (260)-T 122, Governmenr of India, Department of Commerce,

Dated the 30th September 1930.

RESOLUTION.

Tariffs.—The Government of India have received an application from The Tata Iron and Steel Company, Limited, requesting the Governor General in Council in the exercise of his powers under section 3(4) of the Indian Tariff Act, as amended by the Steel Industry (Protection) Act, 1927, to increase the duty leviable on galvanized iron and steel sheets, not fabricated, under item 148 in Part VII of the Import Tariff on the ground that such sheets are being imported into British India at a price likely to render ineffective the protection intended to be afforded by such duty to similar articles manufactured in India.

2. In view of this application, the Government of India have decided that an immediate enquiry should be held by the Tariff Board with the following terms of reference :—

To report whether galvanized sheets of British manufacture, not fabricated, are being imported into British India at such a price as is likely to render ineffective the protection intended to be afforded by the duty imposed on such galvanized sheets under Part VII of the Second Schedule of the Indian Tariff Act, 1894, by the Steel Industry (Protection) Act, 1927, to similar articles manufactured in India; and, if so, to consider—

(*a*) in what form and for what period the additional protection required should be given ;

(*b*) if the grant of a bounty on manufacture is recommended, whether alone or in combination with an increase in the duty, subject to what conditions and in what manner such bounty should be paid, and

(*c*) if an increase in the duty on galvanized sheet is recommended, what increase may be necessary in the duty on other articles made from galvanized sheet and chargeable with duty under Part VII of the Second Schedule of the Indian Tariff Act, 1894, and for what period.

and to make recommendations.

3. Firms or persons interested, who desire that their views should be considered by the Tariff Board, should address their representations to the Secretary, Tariff Board.

4. The Government of India hope that it will be possible for the Tariff Board to submit its report at a very early date.

Order.—Ordered that a copy of the above Resolution be communicated to all Local Governments and Administrations, all Departments of the Government of India, the Central Board of Revenue, the Director General of Commercial Intelligence and Statistics, the Indian Trade Commissioner, London, the Secretary, Tariff Board, His Majesty's Trade Commissioner in India, all

Chambers of Commerce, the Canadian Government Trade Commissioner in India, and the Secretary, Imperial Council of Agricultural Research Department.

Ordered also that it be published in the *Gazette of India*,

J. C. B. DRAKE,
Joint Secretary to the Government of India.

No. 3363, dated 16th October 1930, from Chamber to the Tariff Board.

I am directed to send to you hereby the views of my Committee in connection with the Tariff Board Enquiry *re* : increase in the duty leviable on galvanised iron and steel sheets under item No. 148 in Part VII of Import Tariff.

The Committee are of opinion that galvanised iron and steel sheets made by the Tata Iron and Steel Company require further protection, and that a case has been made for this. The duties on these are not Revenue but protective. As the total production by the Tatas of this commodity is only about 1-8th of the consumption in India, it is considered desirable that the whole of the protection to be afforded should not be made a burden on the consumer by a *pro tanto* increase of the duty. The object of protecting the Tata Iron and Steel Company, in the opinion of the Committee, would be better served by levying a small increase in duty, and giving a part of the proceeds as bounty to the Tatas. The amount of bounty will be determined by the exact protection required. The surplus, after the bounty has been paid, will go to Government. The Committee suggest that such a duty should be levied upto Rs. 10 per ton.

APPENDIX LXXXI.

TARIFF BOARD ENQUIRY RE. PRICE FOR TATA STEEL.

No. 260, T (24), Government of India Department of Commerce.

New Delhi, the 1st December 1930.

RESOLUTION.

Tariffs.— Following the recommendation made by the Tariff Board in their Report of 1926 on the Continuance of Protection to the Steel Industry that the Railway Administrations should arrange

to purchase the whole of their requirements of rails in India, so far as they can be produced in the country, a contract was made with the Tata Iron and Steel Company, Limited, under which the Government of India agreed, subject to certain conditions specified in the contract, to purchase rails from the Company at the rate of Rs. 110 per ton for a period of seven years beginning on the 1st April 1927. In September 1930 the Government of India agreed on certain conditions to an extra payment of Rs. 20 on each ton of rails ordered from the Tata Iron and Steel Company under the contract mentioned above for the year 1930-31. This additional payment was made as an act of grace on the ground that the annual quantity of rails taken by Government had on the average fallen considerably below the estimate upon which the scheme of protection to the iron and steel industry formulated by the Tariff Board in 1926 and embodied in the Steel Protection Act of 1927 was based, regard being had in particular to the views expressed by the Tariff Board in para. 109 of their Report. In view of this curtailment in their orders for rails since the contract was made and of the probability that the quantity of rails to be ordered during the remaining years of the contract will continue to fall considerably short of the original estimate, the Government of India are prepared to consider whether until the period covered by the contract terminates an additional payment per ton of rails should not be made to the Iron and Steel Company, and they have decided to refer the matter to the Tariff Board for enquiry and report.

2. The Tariff Board are accordingly directed to report, after such enquiry as they may consider necessary, whether in all the circumstances of the case an additional payment should be made to the Tata Iron and Steel Company in respect of the orders for rails placed under the contract in future and, if such additional payment is recommended, how the amount should be determined. Since the contract was made orders have also been placed with the Company for 115 lbs. rails which are not covered by the terms of the original contract, and the Tariff Board should also consider what additional payment (if any) should be made in respect of them. The Government of India do not anticipate that it will be necessary for the Tariff Board to take evidence except from the Tata Iron and Steel Company and the Railway Board. They hope that the

Tariff Board may find it possible to submit their recommendations by the 7th January 1931.

Order.—Ordered that a copy of the above Resolution be communicated to all Local Governments and Administrations, all Departments of the Government of India, the Central Board of Revenue, the Director General of Commercial Intelligence and Statistics, the Indian Trade Commissioner, London, the Secretary, Tariff Board, His Majesty's Trade Commissioner in India, all Chambers of Commerce, the Canadian Government Trade Commissioner in India and the Secretary, Imperial Council of Agricultural Research.

Ordered also that it be published in the *Gazette of India.*

J. C. B. DRAKE,

Joint Secretary to the Government of India.

No. 3990, dated 18th December 1930, from Chamber to the Government of India, Commerce Department.

I am directed by the Committee of this Chamber to refer to the Resolution No. 260-T (124), dated the 1st December 1930, issued by the Government of India in the Department of Commerce, referring to the Tariff Board for examination the question whether an additional payment should be made to the Tata Iron and Steel Company, Limited, in respect of the orders for rails placed under the Contract in future and to ascertain how the amount should be determined if such an additional payment is recommended. It is stated in the resolution that the Government of India do not anticipate that it would be necessary for the Tariff Board to take evidence except from the Tata Iron and Steel Co., Ltd., and the Railway Board. It appears, therefore, that the public will not be invited to tender evidence in this matter. My Committee will be greatly obliged if you will kindly let them know if such a procedure was necessitated by circumstances of the case, and also if such a procedure will be treated as a precedent or not. Public Bodies, my Committee presume, should always have the right of appearing in evidence and sending their written evidence before the Tariff Board on all questions referred to them for their opinion. My Committee trust that the fact that public bodies have

not been invited to give evidence with regard to this particular Enquiry will not be considered as a precedent and that Government will be pleased to inform them as to the reasons for not adopting the usual procedure.

No. 260-T (124), dated 8th April 1930, from the Government of India to Chamber.

In reply to your letter No. 3990, dated the 18th December 1930, on the subject noted above, I am directed to say that the statement made in Resolution No. 260-T (124), dated the 1st December 1930, that the Government of India did not anticipate any necessity for the Tariff Board to take evidence except from the Tata Iron and Steel Company and the Railway Board indicated no change from the usual procedure followed by the Tariff Board in the conduct of their enquiries. The subject matter of this particular enquiry was the price to be paid by Government to the Tata Iron and Steel Company for rails, a matter to be determined by an agreement between Government and the Company. For the purposes of such an enquiry it appeared to the Government of India that no evidence from any outside party would be likely to assist the Tariff Board in coming to a conclusion on their terms of reference and this opinion was stated in the Resolution in explanation of the shortness of time given to the Tariff Board to complete their enquiry and report. The Tariff Board were not, however, precluded from inviting other evidence if they considered it necessary to do so.

APPENDIX LXXXII.

GOLD AND SILVER THREAD INDUSTRY—TARIFF BOARD, ENQUIRY RE.

Department of Commerce, dated the 15th May 1930.

RESOLUTION.

TARIFFS No. 180-T. (12).—In accordance with the statement made in the Legislative Assembly, on the 22nd March 1930, the Government of India have decided to refer to the Tariff Board, for investigation, the question of extending protection to the manufacture in India of silver plate, silver thread and wire (including

so-called gold thread and wire mainly made of silver), silver leaf and other silver manufactures.

2. In making its enquiry the Board will be guided by the principles laid down in the Resolution adopted by the Legislative Assembly on the 16th February 1923, and will consider—

(*i*) whether the conditions laid down in paragraph 97 of the Report of the Indian Fiscal Commission are satisfied in the case of the industry and whether it should be protected;

(*ii*) if so, in what form and for what period protection should be given; and

(*iii*) how its recommendations, if any, will affect industries using silver manufactures.

3. Firms and persons interested who desire that their views should be considered by the Tariff Board, should address their representations to the Secretary to the Board.

ORDER.—Ordered that a copy of the above Resolution be communicated to all Local Governments and Administrations, all Departments of the Government of India, the Central Board of Revenue, the Director General of Commercial Intelligence and Statistics, the Indian Trade Commissioner, London, the Secretary, Tariff Board, His Majesty's Trade Commissioner in India, all Chambers of Commerce, the Canadian Government Trade Commissioner in India, and Secretary, Imperial Council of Agricultural Research.

Ordered also that it be published in the *Gazette of India*,

J. C. B. DRAKE,
Joint Secretary to the Government of India.

Written Statement of the Committee of the Indian Merchants' Chamber, dated 26th August 1930, submitted to the Tariff Board regarding Gold and Silver Thread Industry Enquiry.

With reference to the Notification No. 180-T (12) of the Government of India, Department of Commerce, dated the 15th May 1930, referring to the Tariff Board for enquiry and report into

the Gold and Silver Thread Industry, the Committee welcome the same, and are of opinion that the Industry almost fulfils the conditions laid down in para. 97 of the Fiscal Commission Report.

The Industry is at present confined to two centres in India, *viz.*, Surat and Benares. It may fairly be said to be a Home Industry. To the knowledge of the Committee there is not a single factory where the gold and silver threads are manufactured from start to finish ; nor any individual party has enough capital in the trade, nor is up-to-date machinery used in the Industry. The Industry is confined to those who are not conversant with the advanced notions of organised industries. Hence it is not possible to present the case of this Industry with that completeness and satisfaction of figures possible in case of other organised industries. Enquiries made by the Committee show that the Industry, which was once doing well, was being practically laid to the ground on account of foreign competition, but was resuscitated by the increase of the import duty on gold and silver threads to 30 per cent. in the year 1922, there being at that time no duty on silver. This increased duty on imported articles was a spurt to the Industry, and under that spurt the Industry benefited, but when the duty on silver was imposed recently this benefit has been, to a great extent, reduced. Due to the 30 per cent. duty on imported articles and no duty on silver, the Industry made its progress and got its foothold.

The total consumption of gold and silver thread (barring imitation and half-fine goods which the country does not produce at all and which amount to Rs. 15 lakhs) amounts to Rs. 1,25,00,000, out of which India is believed to produce Rs. 1,00,00,000 worth, thus the foreign imports being Rs. 25 lakhs worth, mostly French and partly German, as no British goods are being imported. The Committee are aware that with the imposition of duty on silver the duty on imported gold and silver thread was increased from 30 to 38 per cent. and with a view that the Industry should have that encouragement which it previously enjoyed, the Committee are of opinion that the present duty on imported articles of 38 per cent. be increased to 50 per cent. My Committee, having in view that the Industry should continue to have that encouragement which

it had when there was no duty on silver and under which it progressed, are of opinion that if 50 per cent. duty is imposed on imported gold and silver thread instead of 38 per cent. as at present, this object will be achieved and the Industry will have that much encouragement and impetus as will make it stand on its legs. If this is done the Committee believe that the Industry will attract more capital; better and well-organised industrialists will enter and Indian labour will be benefited.

Considering the fact that the Industry has to pay duty on imported materials like chemicals, and is suffering from the effects of the adverse ratio of 1*s.* 6*d.*, which is benefitting the foreign imports to the extent of 12½ per cent, the Committee are of opinion that if the Industry is not to recede from the position it has attained, it is necessary to increase the import duty of 38 per cent. to 50 per cent.

In this connection, the Committee agree with the Collector of Customs, Bombay, that an uniform duty should be levied on real, imitation and half-fine gold and silver threads.

The Committee are answering the queries of the Board in a general way, and as regards particulars will refer the Board to the evidence, which, they understand, the Industry at Surat intends giving. The Committee have before them a copy of the representation of the Industry, and with this they generally agree. The Committee have no technical knowledge of the Industry, and hence do not desire to give evidence on the details of the case which may well be left to the Industry itself. They have, however, nominated Mr. Behram N. Karanjia, Vice-President of this Chamber, to support in general, the case of the Industry for encouragement, and, if called, he will be pleased to appear before the Tariff Board to supplement this representation of the Committee.

In conclusion, the Committee desire to express their opinion that the best interest of the country and the Industry require that encouragement and impetus be extended to the indigenous Industry, and are further of opinion that as the Industry is in poor hands—poor as regards capital, education and organisation, and

hence not sufficiently enterprising—that a Central Institute be started at Surat where demonstrations, which can benefit the Industry, be given and those who are engaged in it are trained. If this is not feasible because of cost or any other reason, the Committee are of opinion that under competent experts either night or morning classes be started by Government at their schools at Surat and Benares and sufficient inducement be held out by way of scholarships to those workmen who are engaged in the Industry to take benefit of the training facilities thus offered. The Committee think that carrying out the above objects will not entail a large sum, but considering that it is likely to benefit many persons engaged in the Industry, this expense is worth incurring, especially when it is a question of the country, as a whole, benefitting by such an Industry which has potentialities, being preserved in the country and for the benefit of the country.

A. C. RAMALINGOM,
Ag. Secretary.

APPENDIX LXXXIII.

RECOMMENDATIONS OF THE HIDE CESS ENQUIRY COMMITTEE.

No. 3725, dated 21st November, from Chamber to Government of India, Commerce Department.

I am directed by my Committee to forward to you herewith their views on the Report of the Indian Hides Cess Enquiry Committee.

My Committee have carefully considered the various recommendations made by the Hides Cess Committee in their report. They are of opinion that the Indian Tanning industry, which is at present greatly affected by the world depression, needs a special tariff protection. The existing export duty of 5 per cent. on the export of raw hides and skins, does not, in their opinion, give the required protection to the industry. They are of opinion that the export duty should be raised to 10 per cent. so as to enable the local tanners to purchase hides and skins of superior quality. My Committee further think that the imposition of a cess of one per

cent. would be insufficient as the development of the Indian tanning industry would require a larger amount than would be available by the imposition of the cess at only one per cent. The suggestion of the Committee to raise the export duty as made above, would, if given effect to, also reduce the export of raw hides and skins and consequently the amount realised by the export duty would be less. In view of these facts, the Committee suggest that the cess should be fixed at 2 per cent. They also suggest that at least 50 per cent. of the receipts from the imposition of the cess should be spent on the development of the Indian tanning industry.

My Committee are of opinion that the representation of tanners on the proposed Committee to administer the cess should at least be equal in number to the representation of the other bodies proposed to be represented.

The Cess Committee in their report, have recommended that a representative of the Bombay Tanners to the permanent Committee should be appointed by the Government of Bombay until such time as an Association of Bombay Tanners is formed. The Bombay Tanners Association has now been formed to represent the interests of the tanners in this Presidency. My Committee, therefore, request that the right of nominating a representative of tanners should be given to this Association.

In conclusion, my Committee would like to point out that at present there are no arrangements to assist the Bombay Tanning industry by making available for its use technical assistance through model tanneries or Government experts. They are of opinion that sufficient provision should be made to extend these facilities to this industry. It may be stated here that Madras, Bengal, United Provinces and the Central Provinces have all got Government schools and experts to help the industry. My Committee hope, therefore, that these arrangements would be made as early as possible.

No. 7642-D, dated 12th January 1931, from the Government of Bombay, General Department, to Chamber.

I am directed by the Government of Bombay (Transferred Departments) to forward herewith a copy of Government Resolution No. 7642, dated the 6th January 1931, on the subject of the

recommendations of the Hides Cess Enquiry Committee and to request that Government may be favoured with the views of the Chamber on these recommendations.

HIDES CESS ENQUIRY COMMITTEE.

Government of Bombay, General Department, Resolution No. 7642.

Bombay Castle, 6th January 1931.

Letter from the Government of India, Department of Commerce, No. 75-T. 60, dated the 19th September 1930:—

"I am directed to forward for the consideration of the Government of Bombay a copy of the Report of the Hides Cess Enquiry Committee.

"2. The main recommendations of the Committee are:

(i) That a cess should be imposed on exports of raw hides and skins at the rate of 1 per cent. *ad valorem* and should be assessed in the same manner as the existing export duty, that is to say, on tariff valuations revised annually by an independent authority as at present. (Paragraphs 112-113 and 154 of the Report.)

(ii) That the cess should be administered by a Statutory Committee constituted as proposed in paragraph 122 of the Report and that this Committee should be assisted by certain Statutory Sub-Committees. (Paragraph 123 of the Report.)

(iii) That the Committee should have administrative as well as advisory functions as explained in paragraphs 131-144 of the Report.

The Committee have also recommended that, pending a decision on the question of retention or abolition of the export duty, that duty should be reduced to the extent of the proposed cess. (Paragraph 154 of the Report.)

"3. It will be observed that Mr. E. L. Price, the representative of Karachi Shippers of hides on the Committee, has submitted a separate minute of dissent in which, while agreeing with the majority recommendations regarding the constitution of a Statutory Cess Committee, its proposed personnel and functions, and the objects on which the fund may be expended, he disagrees with the majority of the Committee in regard to the application of the proposed cess to skins and also in regard to the rate at which the proposed cess should be levied. Mr. Price recommends that the existing export duty on hides should be replaced by a specific cess of Rs. 10 per bale or Rs. 3 per cask of raw hides. (Pages 150 and 151 of Report.)

"4. I am to request that the Government of India may be favoured with the views of the local Government on the recommendations of the Committee. In particular, they would be glad to be informed whether, if they accept the principle of a cess, the local Government consider that it should be imposed in substitution for the whole or a part of the existing export duty."

RESOLUTION.—Copies of the letter from the Government of India should be forwarded to the Commissioner in Sind, the Commissioners of Divisions, the Director of Agriculture, the Superintendent, Civil Veterinary Department, Poona, the Chief Conservator of Forests, Bombay Presidency, Poona, and the Conservators of Forests of Circles, and they should be requested to favour Government at a very early date with their views after consulting the interests concerned on the recommendations of the Hides Cess Enquiry Committee. Copies of the letter should also be forwarded to the Chambers of Commerce, Bombay and Karachi, and the Indian Merchants' Chamber, Bombay, for favour of expressing their views on the recommendations. Copies of the letter should also be forwarded for remarks to the important private or public bodies in the Presidency which are concerned in the Hides Business.

No. 489, dated 5th March 1930, from Chamber to Government of Bombay.

I am directed to acknowledge the receipt of your letter No. 7642 D., dated the 12th January 1931, and in reply to forward to you a copy of a letter dated the 21st November 1930, addressed to the Government of India, Commerce Department, containing their views on the recommendations of the Hide Cess Enquiry Committee.

APPENDIX LXXXIV.

INDIAN (SUNN OR SANN) HEMP.

No. 1229 (Agri.), dated 28th May 1930, from the Imperial Council of Agricultural Research, to Chamber.

I am directed to invite the attention of your Chamber to a memorandum prepared by the Imperial Institute, London, for the Empire Marketing Board, on the subject of Indian (Sunn or Sann) Hemp—its production and utilisation, a copy of which has doubtless been supplied to you through the Federation of Indian Chambers of Commerce. In doing so, I am to draw particular attention to the fact that considerable improvement in Indian Sunn Hemp trade is likely to result if the selection, cleaning and baling of Hemp for export were carried out upcountry, more on the lines of cotton baling. If this were done, especially if from the outset, press marks similar to those required (under the Cotton Ginning and Pressing Factories Act) for cotton were adopted, the London buyer would know at once the district of origin of the Sunn Hemp in a particular consignment. One of the complaints, at present, against Sunn Hemp exported to England is that hemps of different "growths" and hemp from different districts is mixed, so that the lots are not uniform. In inviting particular attention to the portion of the memorandum, dealing with suggestions for improvements in the packing of Indian hemp, I am to enquire whether the suggested measures are considered practicable and commend themselves to your Chamber.

2. The faults common to many grades of Sunn Hemp are described at page 18 of the memorandum. It is uncertain at present as to how far these faults are due to defective preparation of the fibre by the cultivator and how far to unsatisfactory handling after the fibre has been purchased by the middlemen. The Imperial Council of Agricultural Research has, therefore, decided to employ a special officer for a period of a year to study the conditions under which hemp is marketed and handled and in the primary markets or up-country buying centres.

No. 3427, dated 29th October 1930, from Chamber to the Imperial Council.

I am directed by the Committee of this Chamber to invite a reference to your letter No. 1229-(Agri.), dated the 28th May 1930, in connection with the Memorandum prepared by the Imperial Institute, London, for the Empire Marketing Board, on the subject of Indian (Sunn) Hemp, and to forward their views hereby on the Memorandum.

The Committee have considered your letter and the Memorandum. They are of opinion that the selection, cleaning and baling of Hemp for export purposes on the lines of cotton is not practicable, as the very small quantities of Hemp available for export at different centres would not justify the establishment of presses. They would like to point out that the absence of samples of standard grades of Indian Hemp is one of the main difficulties which the shippers of Indian Hemp have to experience. Bales drawn from a particular shipment for arbitration purposes are not compared with any particular sample and the examination is made on the arbitrator's recollection of what grade should be. This procedure is unfair to the shippers of Hemp, and the Committee suggest, therefore, that a sample bale of each grade should be kept in London and Bombay. They also suggest that the arbitration may be carried out also by the Indian Chamber of Commerce in Great Britain if the parties so desire. The Committee are also of opinion that the Association in London should be prepared to consider a revision of the present contract as it is, in the opinion of the Committee, unfair to Indian shippers.

APPENDIX LXXXV.

PROPAGATION OF SWADESHI.

Report of the Special Sub-Committee.

A meeting of the Special Sub-Committee *re*: Propagation of Swadeshi was held on Saturday, the 29th November 1930, at 3-15 p.m. (S.T.).

The Sub-Committee reconsidered its report, dated the 15th September 1930, recommending to the Committee to organise a series of lectures on commercial and economic subject and to approach the Trustees of the B. F. Madon Memorial Fund for carrying out the above object. They were subsequently informed that as the B. F. Madon Memorial Fund was started with a view to arrange lectures on purely financial subject, it would not be possible to approach the Trustees of that Fund for this object.

The Sub-Committee then discussed the whole matter again, and subsequently it was resolved to recommend to the Committee the establishment of a parmanent Commercial Museum under the auspices of the Chamber, where samples of all the products of India could be exhibited for the guidance of buyers. The necessity for such an Institution has long since been felt in this City. There is such a Museum at Mysore conducted by the Government of Mysore. There was also a big Commercial Museum under the Director General of Commercial Intelligence and Statistics, Calcutta. This Museum has, however, been closed down from sometime past owing to reasons of retrenchment. If the Committee of the Chamber start such a Museum, it will be easily made self-supporting. Every exhibitor who exhibited his stuff can be charged for the space utilised by him. The Chamber can also charge a certain percentage of commission on the orders which may be placed through them with regard to different articles. No sales will actually take place in the Museum itself, but orders can be placed for being forwarded to the exhibitors. The staff required will be one Superintendent on a salary of about Rs. 125 to Rs. 150, one Shorthand-writer and one peon, and the Chamber will also have to pay the rent of the building necessary for the purpose. The running expense in all will be about Rs. 600 per month and the

initial expenses for fitting up the Museum will not be more than Rs. 25,000. With regard to the initial expenses the Sub-Committee are of opinion that the amount required will be realised through private donations. With regard to current expense the Chamber will have to take the liability for sometime but, as said above, the proceeds from the Museum will be equal to, if not more than, the expenses later on. The Sub-Committee think that such a scheme if adopted by the Committee will be a great service to the cause of the **Swadeshi** movement in a practical form and recommend that the scheme be adopted.

Answers to the queries from Mr. N. M. Bhuta re-popularising Swadeshi.

Questions.	*Answers.*
1. Whether the Chamber has taken any steps in the cause of Swadeshi ?	1. This Chamber has, since its establishment, devoted a good deal of its work to the cause of Swadeshi. It has always acted as a watch-dog of commercial interests and has examined critically all Government legislation with a view to see that no Swadeshi industries suffer thereby. It has also always been alert to make suggestions regarding the development of Swadeshi trade and industries. Thus, for instance, it has played a prominent part in the advocacy of new legislation for Insurance Companies, and strongly advocated suggestions for the protection of industries either as recommended by the Tariff Board or even as necessitated by circumstances. It is largely through the efforts of the Chamber that the Stores Rules of the Government of India have been issued and modified, and Government have accepted the principle of inviting all tenders for their requirements in this country, in Rupees and opening them

Questions.	*Answers.*
	here. This will be a great step forward to help the Swadeshi industries. It may be truly stated that the history of the Chamber is a history of the Swadeshi movement for 22 years.
2. Whether the Chamber has taken any steps to get statistics with regard to industries throughout India in general and of Bombay Presidency in particular ?	2. The Chamber has got statistics from Governments, both Imperial and Provincial, as also from other sources, and these records can be utilised by any one who wants to have information regarding trade and industries.
3. Whether the Chamber has got any statistical department for the purpose of collecting statistics ?	3. There is no separate statistical Department of the Chamber, but the Executive of the Chamber is attending to it.
4. Has any suggestion been made to the Chamber by any public body or by members that the cause of Swadeshi should be taken up strenuously by the Chamber and, if so what action has been made by the Chamber ?	4. The Chamber received suggestions in this direction from members, and a Special Sub-Committee was formed to consider the question. Several suggestions are now made by this Sub-Committee, the principal of which is that a permanent Commercial Museum should be organised under the auspices of the Chamber. The Chamber hopes to take this work as soon as possible. This scheme also requires funds, but it is expected that private contributions will enable the Committee of the Chamber to take up the scheme and put it in a practical form.
5. When the Swadeshi movement is at its height	5. This question involves the publication of a Directory. The Committee

Questions.	*Answers.*
as at the present moment does it not behove the Chamber to collect proper materials about all important trades of India with a view to find out how far the country is self-contained in important branches of life?	understand that the work of publishing an up-to-date Directory is already taken up by two or three Swadeshi organisations and it is not, therefore, thought necessary to add one more attempt to those which are being already made. The Committee will, however, be glad to take up the work if a sum of Rs. 15,000 to Rs. 20,000 is assigned to them for it. The Chamber has got records of useful information regarding Swadeshi trade and industries. It may be mentioned that foreign Consuls and even the local Director of Industries and several commercial and industrial firms are making use of the Chamber for getting all such information regarding Swadeshi trade and industries.

APPENDIX LXXXVI.

IMPORTS OF WHEAT FROM AUSTRALIA.

No. 3466, dated 1st November 1930, from Chamber to the Government of India, Department of Education, Health and Lands.

I am directed by the Committee of this Chamber to address you as under in connection with the increasing imports of wheat from Australia into India and the necessity for taking effective measures to safeguard the interests of Indian agriculturists in that behalf.

My Committee have carefully considered the situation which has arisen in connection with the marketing of wheat in India. They have also considered the question of the imports of wheat from Australia and the need for taking effective measures to counteract the effects of these imports on the price of wheat in

India. They are of opinion that imports of Australian wheat into the country have been due to several causes, the principal of them being the 1*s.* 6*d.* exchange. These imports have been particularly marked only in the last two years. Last year much of the increase in the imports was due to famine conditions in the wheat-producing provinces like the Punjab and the United Provinces. On account of the abundance of the wheat crop in this country, prices of Indian wheat have fallen considerably. In fact it may be safely said that the prices prevailing now are almost half of what they were last year. My Committee feel that this will lead to considerable reduction in the imports of Australian wheat. Nevertheless, they are of opinion that the imports of Australian wheat at a juncture when the wheat prices are so very low down in the country, are strongly to be deprecated, because of the injury they cause or are likely to cause to Indian agriculturists. While my Committee do not desire to suggest the extreme measure of prohibiting all imports of Australian wheat, they would like to suggest to the Government that it would not be inappropriate if a countervailing duty were levied on imports of Australian wheat, which would enable wheat prices to be sustained at a level at which the Indian cultivator gets a fair return.

In conclusion, my Committee would like to urge upon the Government of India the desirability of taking immediate and effective measures to meet with the situation as outlined above.

No. 346, dated 12th February 1931, from Chamber to Government of India.

I am directed to remind you of this office letter No. 3466, dated the 1st November 1930, on the subject of restricting the import of Australian wheat, and to enquire as to what action Government propose to take in the matter. In view of the importance of the subject it is urged that Government action to be effective must be immediate.

No. 291-Agri., dated 19th February 1931, from Government of India to Chamber.

In reply to your letter No. 346, dated the 12th February 1931, I am directed to refer you to the replies given to questions asked in the Legislative Assembly and the Council of State on 9th

February 1931 and 10th February 1931, respectively, in regard to the action taken by the Government of India to relieve the distress caused by the depression in the prices of wheat. A copy of these questions and replies is enclosed for the information of your Chamber.

LEGISLATIVE ASSEMBLY.

(*To be asked on 9th February* 1931.)

Starred question No. 392, by Mr. B. Das regarding the wheat trade.

392. *Mr. B. Das :* Are Government of India aware of the deplorable state of the wheat trade, and, if so, will Government be pleased to state the steps taken to relieve the distress with regard to the following :—

(*a*) marketing of wheat in India and especially on the ports ;

(*b*) placing of embargo on the Australian wheat which is sold very cheap at the ports ; and

(*c*) reduction in railway freight from the Punjab stations to the stations on lines other than Karachi ?

Will Government be pleased to state whether they received any representations from the Indian Chambers of Commerce or Associations with regard to the competition of Australian wheat and the marketing of Indian wheat ? If the answer be in the affirmative, will Government be pleased to state the names of representations and the steps taken by Government ?

The Honourable Sir Fazl-i-Husain : Government are fully aware of the serious position which has arisen from the existence in India of a large surplus of wheat, estimated at not less than a million tons, which is unable to find a market either within or outside India, and it has engaged their anxious attention for some time past. As regards the action they have taken to meet it by reduction of railway freights, I would refer the Honourable Member to the Press Communique, dated November 17th, 1930, relating to

the reduction in the rates on wheat from the Punjab and the United Provinces to Karachi and the Press Communique of January 29th, 1931, relating to the reduction in the rate from the Punjab to Calcutta. I place copies of these Communiques on the table of the House. As regards the placing of an embargo on imported wheat, I would remind the Honourable Member that the total production of wheat in India in 1929-30 was estimated at 10,353,000 tons. The imports of foreign wheat into India, mainly from Australia during the current fiscal year up to January 24th, amounted to 110,884 tons as compared with 268,935 tons for the same period in the previous fiscal year. The total imports have thus been very small indeed compared with the total Indian production and have been more than counterbalanced by exports of wheat amounting to 193,606 tons and exports of wheat flour up to December 1930 amounting to 36,743 tons. In these circumstances Government consider that the prohibition of import would have had no effect on the internal price of wheat and would not, therefore, have assisted the cultivator. At the best, it could only have helped Indian wheat to replace the Australian wheat which, but for it, might continue to be imported.

Representations on the subject have been received from the following bodies :—

The Gwalior Chamber of Commerce.

The Federation of Indian Chambers of Commerce and Industry.

The Maharashtra Chamber of Commerce, Bombay.

Indian Merchants' Chamber, Bombay.

Indian Chamber of Commerce, Lahore.

As regards the action taken by Government I would refer the Honourable Member to the reply I have just given to the first part of his question.

Communique, dated 17th November 1930.

The existence in India of a large surplus of wheat, estimated at not less than a million tons, which even at the low prices at present prevailing is unable to find a market either within or outside India, has been engaging the anxious consideration of the

Government of India; and neither they nor the Railway Board have failed to realise the serious effect on railway earnings of the loss of the traffic which in more normal conditions might reasonably be expected in this commodity. It seems possible that, if movement by rail to Karachi is substantially cheapened during the period before the large wheat crops anticipated in Australia and the Argentine come on the market early next year, some portion at any rate of the surplus Indian crop may be absorbed by export; and the North-Western and East Indian Railway administrations have, therefore, decided, with the approval of the Government of India and the Railway, Board that the following reductions should be brought into force immediately, and remain in force until the 28th February 1931 :—

On the North-Western Railway.—In place of the present C/K Schedule, the C/R Schedule will apply to traffic booked to Karachi in full wagon loads for distances over that railway of not less than 600 miles. The differential rule as regards distance will apply for distances less than 600 miles.

On the East Indian Railway.—In place of the existing C/B and C/M Schedules, the C/Q Schedule will apply to traffic booked to Karachi in full wagon loads, except traffic originating at stations on the Bombay, Baroda and Central India Railway, the Bengal and North-Western Railway, and the Rohilkund and Kumaon Railway.

As an illustration of the effect of this reduction, the freight per maund from Lyallpur to Karachi will be 6 annas 10 pies, instead of 11 annas 8 pies at present charged.

The results of this action, and the future position of the wheat market in India, will be closely watched by the Government of India.

Communique, dated 29th January 1931.

The Government of India have given very careful consideration to representations that have been made to them that some part of the existing surplus of Indian wheat would find a market

in Calcutta if railway freights from the Punjab to Calcutta were reduced. Their investigations do not lead them to anticipate that any feasible reduction in freight rates would result in so substantial an increase in the movement of wheat from the Punjab to Calcutta that there would be no net loss to railway revenues; but they have arranged with the Punjab Government that the Railway Administrations concerned will grant from 1st February 1931 until the 31st of March 1931 a rebate of one-third of the freight on all consignments of wheat booked to Calcutta from all stations in the Punjab. The cost of this rebate will be borne by the Punjab Government but will be refunded to them, should the grant of the rebate be followed by a substantial increase in the tonnage of wheat imported by rail into Calcutta.

COUNCIL OF STATE.

(*To be asked on the* 10*th February* 1931.)

Question No. 62 by the Honourable Rai Bahadur Lala Jagdish Prasad, regarding relief of Agricultural districts.

The Honourable Rai Bahadur Lala Jagdish Prasad: (*a*) Has the attention of Government been drawn to the agricultural depression prevailing in the country?

(*b*) If so, what measures, if any, are under the contemplation of Government with a view to relieve the present agricultural distress?

(*c*) Does Government contemplate adopting any of the following measures?—

(*i*) the stoppage of the import of wheat to India,

(*ii*) the imposition of a duty on imported wheat,

(*iii*) a reduction in the Railway rates on wheat,

(*iv*) a revision of the exchange ratio.

(*d*) Is the shipping freight on wheat from Australia to Indian ports less than the railway freight from the Punjab to Calcutta and other Indian ports?

(*e*) Is it the intention of Government to reduce the railway freight on wheat from the Punjab to Calcutta and other Indian ports ?

The Honourable Sir Frank Noyce: (*a*) Yes.

(*b*), (*c*) *and* (*e*) I presume that the Honourable Member is referring to action by the Government of India. As regards reduction of railway freights, I would refer him to the Press Communique dated November 17th, 1930, relating to the reduction in the rates on wheat from the Punjab and the United Provinces to Karachi and the Press Communique of January 29th, 1931, relating to the reduction in the rate from the Punjab to Calcutta. I place copies of these communiques on the table of the House. As regards the stoppage of the import of wheat into India or the imposition of a duty on imported wheat, I would remind the Honourable Member that the total production of wheat in India in 1929-30 was estimated at 10,353,000 tons. The imports of foreign wheat into India, mainly from Australia, during the current fiscal year up to January 24th amounted to 110,884 tons, as compared with 268,935 tons for the same period in the previous fiscal year. The total imports have thus been very small indeed compared with the total Indian production and have been more than counterbalanced by exports of wheat amounting to 193,606 tons and export of flour up to December 1930 amounting to 36,743 tons. In these circumstances, Government consider that the prohibition of the import of wheat or the imposition of a duty on imported wheat would have had no effect on the internal prices of wheat and would not, therefore have assisted the cultivator. At the best, it could only have helped Indian wheat to replace the Australian wheat which, but for it, might continue to be imported. The situation in regard to imports is, however, being carefully watched. The reply to that part of the Honourable Member's question which relates to the Exchange ratio is in the negative.

(*d*) Present sea freight for wheat from Australian ports to Bombay are lower than the combined railway and sea freights from the Punjab to Bombay and present sea freights for wheat from Australian ports to Calcutta are lower than the railway freights from the Punjab to Calcutta.

This comparison does not, of course, take into account railway freight in Australia which is necessarily one of the elements of cost in placing Australian wheat on the Indian market.

APPENDIX LXXXVII.

REPRESENTATION OF THE FEDERATION OF INDIAN CHAMBERS OF COMMERCE AND INDUSTRY IN GERMANY.

No. 1231, dated 10th November 1930, from the Federation of Indian Chambers of Commerce and Industry to Chamber.

I am directed to enclose, for the information of your Committee, a copy of a Note prepared by Mr. J. K. Mehta, Secretary, Indian Merchants' Chamber, Bombay, and submitted to the Committee for their consideration. The Committee at their last meeting held in Bombay in October last decided that a copy of the Note submitted by Mr. J. K. Mehta be circulated to all the Member-Bodies of the Federation with a request that the Committee of the Federation be furnished with views on the proposal of having a representative of the Federation in Germany. I shall, therefore, be much obliged by your furnishing me with the views of your Committee on the subject so as to reach me on or before Monday, the 1st December 1930.

Copy of a Note submitted by Mr. J. K. Mehta, regarding representation of Federation in Germany.

While I was in Europe, I visited Berlin for about a week. I met some of the Bankers and commercial and industrial people who are interested in trade with this country. I also saw some of our Indian friends. Apart from the question of general propaganda for India, with which Mr. Ojha and myself have dealt elsewhere, there is a great necessity for some representation in Berlin. Germany is vitally interested in trade with India, and Berlin being the heart centre of Germany, people there are naturally anxious to know everything which is going on in this country. If the movement for Swadeshi, not to call it boycott movement, has to proceed on right lines and if India has to find out fresh openings for her foreign trade with outside countries, Germany

offers a very good field both for import and export purposes. She is an industrially advanced country and had a long experience of trade with India in pre-war days. She is naturally looking to resuming her former trade relations to as large an extent as possible. In several lines like the chemicals, pharmaceutical products, stationery, hardware and machinery, electrical goods, etc., Germany can easily take the place of British goods. I would suggest that some Indian gentlemen be entrusted with the work, for the present, to supplying to Indian businessmen whatever they want regarding trade facilities and openings in Germany, and on the other hand he may impart the same information to German businessmen and industrialists. There is no such connecting link at present and it is left, more or less, to individual efforts to form such trade connections. There are, however, disadvantages connected with such sporadic efforts, and it would be better to assign the work to an individual who may have a fairly good knowledge of both Indian and German business conditions. I should like to suggest the name of Dr. C. R. Pillai, who has been for 22 years resident in Germany. He has good influence with both business and political circles in Germany and is a very shrewd and keen observer of the present day developments in trade and industries. We would be willing to send a weekly letter of all the recent developments in trade and industries in Germany to the Federation and also to answer any enquiries which may be made of him regarding business connections. To run a fully equipped Bureau on these lines would cost about £1,000 per annum, but for the present Dr. Pillai would work on Rs. 1,500 per annum, just to show how the experiment can be worked out successfully to the benefit of our business people here. I have had long discussions with him on this question, and feel that if the Federation can enter into some such arrangements with him, it will be highly advantageous to our businessmen and industrialists.

I hope my suggestion will be considered by the Committee of the Federation and receive their favourable endorsement.

No. 3763, dated 27th November 1930, from Chamber to Federation.

I beg to acknowledge the receipt of your letter No. F. 1231, of the 10th November 1930. The Committee of this Chamber approve of the Note by Mr. J. K. Mehta sent along with your

letter. They are of opinion that the Federation of Indian Chambers of Commerce should take up the scheme and make a beginning by having a trade representative in Berlin on some such remuneration as may be fixed by the Executive Committee of the Federation. If the scheme proves successful, it may be extended to other important countries like Italy, France and the United States of America.

APPENDIX LXXXVIII.

IMPORTS OF WHITE OIL AND ITS ADULTERATION WITH EDIBLE OILS.

No. 246-A, dated 15th February 1930, from the Government of Bombay to Chamber.

I am directed by the Government of Bombay (Transferred Departments) to forward herewith a copy of a letter No. P. A.-13-28, dated the 24th September 1928, from the Secretary, Indian Chamber of Commerce, Calcutta, to the Government of India in the Commerce Department and to request that the Government of Bombay may kindly be informed whether the allegation that "White Oil" is largely used as an adulterant of edible oils is correct and, if so, whether your Chamber considers that any steps are necessary to restrict the import of this article into India in the interests of public Health.

2. A very early reply is requested.

Copy of a letter No. P. A. 13-28, dated the 24th September 1928, from the Secretary, Indian Chamber of Commerce, Calcutta, to the Secretary to the Government of India, Commerce Department.

I am directed to invite your attention to the large increase in the importation of "White Oil" in British India and its adulteration with other edible oils.

My Committee are informed that, during the last 3 years large quantities of "White Oil" are being imported from Germany, and America and that the bulk of this oil is used for adulteration with edible oils. Apart from the question of the deception practised in this way on the public, such adulteration diminishes the

nourishing quality of the edible oil, particularly its vitamin contents and is fraught with serious danger to the health of the general public. Even for the shrewdest of buyers, it is difficult to detect such adulteration. My Committee, therefore, strongly recommend to the Government that the importation of " White Oil " should be prohibited, so as to prevent adulteration of edible oil, except under license for a specific purpose. Even when imported under license, a heavy specific duty should be imposed on it so as to make it unprofitable for the merchants to mix it with genuine edible oils which sell at a price far higher than the imported " White Oil. "

My Committee are not unaware that the incidence of such a duty on " White Oil " will be heavy on the importers of such oil for preparing toilet requisites, but they are of the opinion that articles of luxury can bear the additional cost, especially when the danger of adulteration of edible oils due to its unrestricted importation, is so great to the welfare of the general public.

No. 422, dated 25th February 1930, from Chamber to Government of Bombay.

Your letter No. 246-A of the 15th instant was considered by the Committee of my Chamber. They understand that ' White Oil " is to a large extent used as an adulterant with other edible oils and that this malpractice has of late been a real menace to the genuine oil trade. My Committee need only mention to bring home to Government the deleterious effect on the health of the consuming public by this adulteration. They have, therefore, no hesitation in recommending that the practice has to be stopped.

But figures of importation of "White Oil" are not available, as they are not published separately ; nor have my Committee any information as to what other purposes and to what extent "White Oill" is being used. They, therefore, request Government to be pleased to furnish them with figures of imports for the last few years, and information as to for what other purposes the oil is being used, so as to enable them to fully consider the matter and suggest steps for meeting the situation.

No. 246-D, dated 18th November 1930, from the Government of Bombay, to Chamber.

With reference to the correspondence ending with your letter No. 422, dated the 25th February 1930, on the subject of importation of "White Oil" into British India and its adulteration with other edible oils, I am directed by the Government of Bombay (Transferred Departments) to forward herewith for your information a copy of Government Resolution No. 246, dated the 7th November 1930, communicating the decision of the Government of India in the matter.

Bombay Prevention of Adulteration Act, 1925.

IMPORTATION OF "WHITE OIL" INTO BRITISH INDIA AND ITS ADULTERATION WITH OTHER EDIBLE OILS.

Government of Bombay, General Department, Resolution No. 246, dated 7th November 1930.

Letter from the Government of India, Department of Education, Health and Lands, No. 1272—Health, dated the 28th June 1929 :—

> "I am directed to forward a copy of a letter from the Secretary, Indian Chamber of Commerce, Calcutta, No. P. A. 13–28, dated the 24th September 1928, on the subject noted above, and to say that the Government of India will be glad to be informed whether the allegation that "White Oil" is largely used as an adulteration of edible oils is correct, and if so, whether the Government of Bombay consider that any steps are necessary to restrict the import of this article into India in the interests of public health."

Government Endorsement to the Commissioner in Sind, Municipal Commissioner for the City of Bombay and the Director of Public Health for the Government of Bombay, No. 246-A, dated the 3rd July 1929.

Letter from the Municipal Commissioner for the City of Bombay, No. H–76–B, dated the 19th July 1929.

Letter from the Director of Public Health for the Government of Bombay, No. Foods-4122, dated the 26th July 1929.

Memorandum from the Commissioner in Sind, No. 16849-G, dated the 18th January 1930.

Letter to the Secretary, Bombay Chamber of Commerce, Indian Merchants' Chamber, Maharashtra Chamber of Commerce, Ghee Merchants' Association and Bombay Vegetable Ghee Merchants' Association, No. 246, dated the 15th February 1930.

Endorsement to the Collector of Bombay, No. 246-A, dated the 15th February 1930.

Endorsement to the Collector of Customs, Bombay, No. 246-A, dated the 15th Februar y1930.

Letter from the Indian Merchants' Chamber, Bombay, No. 422, dated the 25th February 1930.

Letter from the Chamber of Commerce, Bombay, No. 468-150, dated the 28th February 1930.

Letter from the Collector of Customs, Bombay, No. S.-98, dated the 28th February 1930.

Letter from the Collector of Bombay, No. F. I.-784, dated the 7th March 1930.

Letter from the Maharashtra Chamber of Commerce, Bombay, No. 1708-30, dated the 10th March 1930.

Letter to the Government of India, Department of Education, Health and Lands, No. 246-A, dated the 2nd April 1930 :—

> " I am directed to refer to the letter from the Government of India, No. 1272-Health, dated the 28th June 1929, inviting the views of the Government of Bombay on the question of restricting the import of " White Oil " into British India so as to prevent its use as an adulterant of edible oils in the interests of public health."

"2. In reply I am to forward for the information of the Government of India copies* of the reports received from the local officers and Chambers consulted on the subject. From the information received by them the Government of Bombay believe the allegation that White Oil is largely used as an adulterant of edible oils to be correct. They understand however that the objection to the use of it as an adulterant is not so much that it is actively deleterious as that it has no food value of any kind and therefore reduces the nourishing quality of food with which it is mixed. Any attempt to regulate its import should in the opinion of the Government of Bombay be undertaken with caution, since it might result in the use of more harmful adulterants in edible oils, and might place obstacles in the way of the use of White Oil for legitimate purposes. Suggestions have been made that the import of White Oil as an adulterant might be made unprofitable by the imposition of a heavy tariff, or that its coloration should be insisted on or that the penalty for proved cases of its use to adulterate edible oils might be enhanced, or that the importation of such oil should be prohibited except under license and for a specific purpose. The Government of Bombay are of opinion that the evil appears to have reached dimensions which render it desirable to consider further regulative action on some such lines as those indicated above."

Endorsement from the Government of India, Department of Education, Health and Lands, No. 1981-H, dated the 1st October 1930—Forwarding for information a copy of the following letter which the Government of India have addressed to the Indian Chamber of Commerce, Calcutta :—

"In continuation of this Department letter No. 1868-H, dated the 25th October 1928, I am directed to say that the Government of India have consulted all local Governments and Administrations regarding the Chamber's

* Not printed.

suggestion for the prohibition of the importation of "White Oil" into India except under license and on payment of a heavy duty. The replies received from local Governments show that the use of this oil for adulteration with edible oils is not at all widespread in many parts of India, and that most of the local Governments and Administrations are not in favour of the adoption of the Chamber's suggestion. The Government of India are of opinion that the practice to which the Chamber has drawn attention can, to the extent that it exists, be dealt with more appropriately by pure food legislation than by the employment of the Sea Customs Act in the manner suggested by the Chamber. They have, therefore, decided to leave it to local Governments to take such steps as they consider necessary in the matter by local legislation for the prevention of the adulteration of foods."

RESOLUTION.—Copies of the letter from the Government of India should be forwarded to the officers concerned for information.

By order of the Government of Bombay,
(Transferred Departments).

T. T. KOTHAVALA,
Under Secretary to Government.

No. 3772, dated 26th November 1930, from the Chamber to Government of Bombay.

I am directed to acknowledge the receipt of your letter of the 18th November 1930, No. 246-D, giving cover to a copy of Government Resolution No. 246, dated the 7th November 1930. My Committee are much obliged to the Government of Bombay for the support they have given to their proposal. They are sorry, however, that the Government of India have not endorsed the recommendation themselves but have left it to Local Governments to take steps as they consider necessary in the matter. In view of this endorsement from the Government of India, my Committee beg now to request the Government of Bombay to be pleased to take immediate action with regard to this question,

looking to their opinion that " the evil appears to have reached dimensions which render it desirable to consider further regulative action on some such lines as those indicated above."

APPENDIX LXXXIX.

REVISION OF THE " ECONOMIC PRODUCTS OF INDIA " AND THE " COMMERCIAL PRODUCTS OF INDIA."

No. 685, dated 25th March 1930, from Chamber to the Director General of Commercial Intelligence and Statistics.

I am directed to address you on the subject of the revival of the publication, " The Dictionary of the Economic Products of India." This dictionary was published between the years 1885-94, and in 1908 an abridged volume entitled " The Commercial Products of India " was published. My Committee understand that this publication is now out of print. There is a great paucity of literature giving information about products of the country which are of present or prospective industrial or commercial importance, and it would be very much helpful in this direction if this publication were revived and made to date.

My Committee hope that this suggestion of theirs will be accepted.

No. 1724-C.I.D., dated 2nd April 1930, from the Director to Chamber.

I write to acknowledge the receipt of your letter No. 685, dated the 25th March 1930, on the above subject, and to say that your suggestion has been brought to the notice of the Government of India.

Endorsement No. 8475-D, dated 11th November 1930, from the Government of Bombay, Finance Department.

Forwarded for favour of very early remarks to :—

The Secretary, Indian Merchants' Chamber, Bombay.

No. 2026-C, dated 24th October 1930, from the Government of India, Commerce Department, to the Government of Bombay, Finance Department.

I am directed to address you on the question whether the two publications mentioned above should be revised and republished.

2. The " Dictionary of the Economic Products of India," which consists of nine volumes and was completed in about nine years, has long been out of print and unprocurable. The question of revising the Dictionary was considered by the Government of India in 1907 and I am to enclose a copy of an Office Memorandum from the Department of Commerce and Industry, No. 5531-8, dated the 14th July 1906, with its annexure, which explains the reasons, which were then considered by the Government of India to exist in favour of and against the proposal to prepare and publish a revised edition of the Dictionary. It was eventually decided, with the approval of the Secretary of State, that a general revision of the work should be postponed for several years in view more especially of the fact that scientific enquiry into agricultural and veterinary subjects had only recently been organised on an adequate scale. A subsidiary proposal that, pending a general revision of the Dictionary, a revised edition of it should be undertaken at once to include only those minor articles which were not included in an abridgment of the Dictionary which was then about to appear was also dropped. The abridged edition of the Dictionary was published in 1908 by Mr. John Murray under the title " The Commercial Products of India."

3. The preparation of a revised edition of the Dictionary will involve considerable expenditure and a long time in preparation, and the Government of India are provisionally of opinion that a new edition of " The Commercial Products of India " would render unnecessary a revision of the Dictionary. Before arriving at a final decision in the matter, however, the Government of India would be glad to be favoured with the views of the Governor in Council, together with those of such commercial and other interests as the local Government may consider it desirable to consult on the question, whether the " Dictionary of the Economic Products of India " or " The Commercial Products of India " or both should

be revised and republished, and, if so, regarding the lines on which such revision should be undertaken. The Government of India would also be glad of the Local Government's advice regarding the plan which should be followed in preparing a revised edition, *e.g.*, whether the continuous alphabetical arrangement should be preserved or whether any new publication should be divided into sections for the various classes of products (mineral, agricultural, manufactures, etc.)

No. 5531-8, Government of India, Department of Commerce and Industry, Economic Products, Office Memorandum, dated the 14th July 1906.

With reference to the correspondence ending with the endorsement from the Department of Revenue and Agriculture, No. 331-84-I, dated the 20th February 1906, the undersigned is directed to request that the opinion of the Board of Scientific Advice may be obtained regarding the revision of the Dictionary of the Economic Products of India. The main issues for decision are three in number :—

(1) whether a revised edition of the Dictionary should be started at the present time, or whether it should be postponed for a few years ;

(2) the best plan to adopt for carrying through such a revision ;

(3) the best scheme of arrangement for the revised edition.

The answer to the first of these questions depends largely on the decision which may be arrived at on the second point, which must therefore be considered first.

2. There would seem to be three possible plans for the preparation of revised edition of the Dictionary :—

(*a*) By a single author who is given the necessary literary assistance, and who may be able to secure the co-operation of a certain number of specialists for writing some articles.

(*b*) By the several Departments of Government concerned, under the guidance of an Editor.

(*c*) By a special staff consisting of an Editor-in-Chief and Assistant Editors chosen for their knowledge of special branches of the work and their Indian experience (together with literary skill) who would also be able to secure the co-operation of specialists for the preparation of some articles.

A fourth scheme was suggested by Sir W. T. Dyer in 1899, *viz.*, that the work should be revised volume by volume as a part of the regular work of the office of the Reporter on Economic Products. It is thought that this plan is not feasible and may be put aside at once. It would be impossible for the Reporter to undertake this duty in addition to his ordinary work.

3. The first plan is that which was followed in the preparation of the present edition, and it is apparently the course which the authorities of the India Office are disposed to approve as the natural method of revision. Sir George Watt who prepared the former edition, and is probably the only man who could be entrusted with revision of the Dictionary on this plan, is available, possesses exceptional qualifications for the task, and is believed to be anxious to undertake the work. On the other hand there are serious objections to this scheme. It is likely to result in a work of very unequal merit, for a single man cannot be competent to deal authoritatively with all the numerous products, and must in many cases be a compiler of material of which he cannot judge the relative value. The present Dictionary, although a remarkable work of great merit, shows this defect very prominently. Moreover, as Sir George Watt will not return to India, the work would have to be carried out in England, probably under the supervision of the authorities at Kow, while the experts whose assistance would be given would for the most part be resident in India. The disadvantages of such an arrangement in preventing personal communication between the Editor and his assistants are obvious, and an Editor in England would find it difficult to exercise the necessary supervision over specialists six thousand miles away. The almost inevitable absence from India for long periods of the ledger files of

the Reporter on Economic Products would be a most serious inconvenience, as has already been found in the case of the Abridgment where great difficulty has also been met with to arrange for the despatch of files at proper intervals so as to admit of their prompt return to India. The delays inherent in this system would also be likely to prevent the completion of the work within a reasonable period. In view of these facts it has been strongly represented that the revision ought to be carried out in this country.

4. The second plan has much to recommend it on the score of cheapness. The editor would reside in India, and would be responsible only for the general arrangement and literary form of the work. It is feared, however, that it would throw an impossible burden upon some Departments. The present Dictionary fills some 5,200 pages of print, which may be taken as the minimum size of the revised work. It is estimated that about two-thirds of the matter, approximately, would appertain to the Department of Agriculture, and it is understood that the present staff of the Department could not, unless special assistance were given, prepare a revised edition of 3,500 pages of print without neglecting practically all the present work of the Department. The Forest Department would probably be in the same position. The Geological Department would be in a better position, as it has nearly completed an independent revision of its Manual of Economic Geology, but even so the re-arrangement of this material and its preparation in a form suitable for inclusion in the Dictionary might be a task of some magnitude. The other officers most intimately concerned are the Director-General of Commercial Intelligence, the Inspector-General of the Civil Veterinary Department, the Director of the Botanical Survey, and the Director General of the Indian Medical Service. It has been urged that, if the revised edition is to be a real standard reference work of authority, and not merely an ill-digested summary of available information, none of these Departments is so strong that it would be expected to undertake such a duty without additional assistance.

5. The third plan, though much the most expensive of the three, is the one which on general grounds appears the most suitable, and the only one by which the work could be completed within a reasonable period from its commencement. A scheme of this

nature is almost universally adopted for the preparation of works of this kind. The acceptance of this arrangement, however, involves the postponement of the commencement of the work for some time, and it is therefore necessary to consider whether the delay can be agreed to.

6. In a Resolution passed on the 31st January 1905 the Advisory Committee of the Royal Society expressed the hope that, as the present edition of the Dictionary was out of print and unprocurable, a revised and new edition might be put in hand as soon as practicable. This Resolution was referred by the Secretary of State to the Government of India, who consulted the Board of Scientific Advice. The Board agreed generally with the Committee, but were of opinion that it would be convenient to defer the preparation of the revised edition until the Abridgment now under compilation had advanced towards completion. Both these opinions are in favour of the early revision of the Dictionary, and much weight must attach to them; and if it were decided that Sir G. Watt should be asked to undertake the preparation of the new edition, there would be no reason for postponing the start. It must also be admitted—

(1) that the present edition is out of print;

(2) that an amount of information has been accumulated quite sufficient to justify its embodiment in a new edition.

(3) that there is a danger that, if the work is postponed too long, the accumulation will tend to become unwieldy and the labour involved in revision greatly increased.

On the other hand it has been suggested that so far as the Agricultural Department is concerned, it would be much better to postpone the revision for four or five years. The Department is only now being equipped with an adequate staff, and is commencing the systematic investigation of agricultural products. A revision based on the information available at present might be out of date as regards agricultural products in a very few years, and would demand to be revised afresh. It has also been pointed out that

the abridged handbook will to some extent meet the public demand, and obviate the inconvenience of the Dictionary being out of print. Finally it must be said that if either the second or the third plan is adopted the immediate preparation of the revised Dictionary is an impossibility. When the expert agricultural staff both Imperial and Provincial is complete, and has had time to become familiar with Indian conditions, it should be possible to select men specially fitted for the work and relieve them of their ordinary duties, but meanwhile the whole energies must be devoted to the ordinary Departmental tasks.

7. The scheme of arrangement for a revised Dictionary demands consideration. It will have to be decided whether the alphabetical arrangement of the former Dictionary should be adhered to, or whether it should be divided into a number of parts, say, for Animal, Mineral and Vegetable products. It has been suggested, indeed, that the Dictionary should not be revised in its present form, but that the different Departments should undertake the preparation of suitable manuals or works of reference in respect of the subjects with which they deal. Thus the Manual of Economic Geology which is nearly complete may contain all the information necessary with regard to minerals. The alphabetical arrangement is undoubtedly the more convenient for purposes of reference, and is supported by the high authority of Sir W. T. Dyer, a copy of whose letter dated the 8th June 1899 is attached to this memorandum for facility of reference. On the other hand the preparation of separate manuals for each Department would prevent the postponement of the whole work until all the Departments were ready to take up the task of revision. It is of course impossible to consider the details of the scheme at present but the general lines of procedure should be laid down.

From Sir W. T. Thiselton-Dyer, Kew, dated the 8th June 1899, to the Under Secretary of State for India.

I have the honour to acknowledge the receipt of Sir Charles Bernard's letter of 7th June (R. and S. 1645), forwarding a copy of a letter from the Government of India relating to the revision of the Dictionary of Economic Products.

2. It cannot be doubted that in this work India possesses for the first time in an accessible form a digest of the information which has been gradually acquired with regard to its material resources, but which has hitherto been scattered in innumerable publications as well as in official documents and papers not readily available for consultation.

3. The preparation and production of such a work has necessarily not merely stimulated further investigation, but it has revealed points on which further information is needed. The Dictionary, from the nature of things, cannot ever be expected to reach a final form, but from time to time will need bringing upto date. If, however, the office of the Reporter on Economic Products is organised, as it should be, on a permanent basis, the work of successive revision should be neither laborious nor difficult. It appears to me that the time has come when Dr. Watt should be supplied with a younger man as assistant, who may possibly succeed him, or at any rate preserve some continuity in the work. It is obvious that the duties of the Reporter have two sides; on the one hand he is necessarily engaged continuously in the study of Indian products, on the other in posting up and revising the Dictionary. It is clear that, if single handed, one or other must from time to time suffer as each in turn becomes the predominant object of his attention. It is further to be feared that, in the event of Dr. Watt's retirement, there would be a deplorable break in continuity with regard to both. But the day has long gone by when India can afford to mark time in anything that relates to her material welfare.

4. The mode in which the revision of the Dictionary should be accomplished is, perhaps, a matter to be most properly settled by the Government of India, after due consideration to local circumstances and conditions, which can hardly be satisfactorily discussed at home. But speaking as one who has the Dictionary in constant use, and who feels a deep debt of gratitude for its production, I should deprecate any change in its form. The bibliography should be rather augmented than curtailed, and I attach much importance to the citation of the *ipsissima verba* of the extracts from the authorities quoted. Personally I am in favour of the retention

of the exact form of the present work, and I am disposed to support the suggestion that "revision should be continuous and that one volume should always be in hand." It seems to me that this diminishes the formidable aspect of such a task as attempting to recase the whole work, and would appreciably diminish the burden of even a more limited revision. Each revised volume would take the place of its predecessor. Sets in office use would remain available for practical purpose of consultation and everything accomplished would be so much to the good. Space for the introduction of new matter might be found by that judicious compression of the longer articles on such subjects as tea, which might eventually be made the subject of more copious handbooks. It is not so much for these as for the little known and obscure products that the Dictionary is so invaluable as a work of reference.

5. I am most strongly of opinion that a synoptical abridgment in one volume is most desirable. Such an abridgment should be indispensable to every administrative officer who has to deal with agricultural and commercial matters, but whom in a vast number of cases it would be unnecessary to supply with the large edition. Moreover, it could be kept up to date, especially with regard to statistical matter, almost annually. This would save the necessity of a more frequent revision of the larger work.

6. With regard to the Agricultural Ledger Series, I have no doubt that its form has been determined upon after careful consideration of the practical needs of India. I can quite understand that it is convenient to issue from time to time, in the form of a separate pamphlet, information for wide distribution on special subjects. In this respect India follows the example of the United States Government. It cannot be denied that the form of the Agricultural Ledger Series in this respect has its advantages. Many of the articles are, however, very fragmentary, and I doubt the practical advantage of issuing these in a separate form. Personally, I think the Agricultural Ledger Series very troublesome to consult. The information contained in it is, therefore, apt to get out of sight. I am disposed to think that the heads of information enumerated in the letter of the Government of India would be

much more available for consultation and study if collected in a bi-monthly bulletin or journal. These should, in turn, be collected into annual volumes with a good index. A further collective index might be published quinquennially. I may point out that nearly every Colonial Government now issues an Agricultural Journal, in which such articles as are now comprised in the Agricultural Ledger Series are published collectively, together with briefer notes on matters of general interest, for which at the present time, in the publications of the Government of India, there seems to be no provision. The publication of such a continuous journal would not militate against the separate distribution of special articles.

No. 7, dated 3rd January 1931, from Chamber to the Government of Bombay, Finance Department.

I am directed by the Committee of this Chamber to send their views hereby in reply to your endorsement of the 11th November 1930, No. 8475-D, on the letter from the Government of India, Department of Commerce, dated 24th October 1930, No. 2026-C, regarding the above question.

So far back as 25th March 1930, my Committee addressed a letter to the Director General of Commercial Intelligence and Statistics suggesting that the Dictionary of the Economic Products of India should be revised and made up to date. They are, therefore, very glad to note that the Government of India have now taken up the question and have consulted the Local Governments and the Commercial Bodies regarding the publications: Dictionary of the Economic Products of India and the Commercial Products of India.

(1) Whether the publications should be revised and republished and, if so, the lines on which such revision should be entertained:

My Committee are strongly for the publication of both the books and urge that the work should be taken up as soon as possible. The smaller publication, *viz.*, the Commercial Products of India is confined to products which are of present or prospective industrial or commercial importance and the object kept in view in its preparation was "to make the work of practical value to the

commerce and industry" of India. The revision and republication of this volume will be of immediate value to persons engaged in industry and trade and the work, being overdue, should be undertaken without delay. The cost will be comparatively small and some of it will be recovered by the sale of the book.

The larger publication, *viz.*, the Dictionary of the Economic Products of India, is an undertaking which will take time and cost money to revise. It is stated that two-thirds of the matter in the existing edition pertains to agriculture. No rapid improvement, no large increase in production can be expected, from agriculture, until people acquire industrial practices and habits and learn to apply scientific methods, commercial practices and co-operative enterprise to agriculture. The book is of considerable value and those who are engaged in the utilisation of Economic Products of India, particularly commercial and industrial products, cannot get at present any authoritative information on the subject elsewhere.

(2) Whether the subject matter should be arranged alphabetically or should be divided into sections for various classes of products :

The arrangement of the matter in both the publications should be alphabetical as in the existing editions.

(3) What should be the agency through which the books should be published :

The best plan, in the opinion of my Committee, would be the appointment of a special staff consisting of an Editor-in-Chief assisted by various recognised authorities to whom work should be delegated for the revision of special sections in which they are in a position to write from experience and first hand knowledge of their specialised subjects. The special staff should have its chief Office in Delhi with branches at Calcutta and Bombay. In order that no part of the revised work is of unequal merit, my Committee suggest that a Committee should forthwith be appointed by Government with powers to divide subjects into main sections and draw up a scheme for expert guidance under various technical and

commercial heads and that a careful selection be made in appointing the best available talent in the country for the revision of each individual section. This practice is followed in the revision of various standard works of reference including Encyclopædia Britannica. Wherever necessary consultations may be held with foreign exports, but, as far as possible, the revision ought to be carried out in this country and each section should be simultaneously undertaken. In this way the revision of the whole volume would be carried out expeditiously, and brought up to date without unnecessary waste of time and labour. The Central Editor's Office should keep in touch with all the specialists and its business should merely be to edit the sections as they arrive and help the investigators in obtaining information which they desire from all sources. It would be possible to select in India the whole of the necessary staff from various scientific and technical services of Government and also from Universities and Educational Institutions. There is a very large number of highly trained Indians with European and American qualifications and their services can well be draughted for the editorial staff or for sectional revision. The Committee whose appointment has been suggested in the previous paragraph should be thoroughly representative of all Provinces in commerce, trade and industry and agriculture, as also the Scientific and Technical Departments of the Government and of all the Universities of India. The opinion of the Science Congress and other Public Bodies interested in the advance of accurate scientific and technical knowledge pertaining to Indian Products and Industries and agriculture may also well be invited.

APPENDIX XC.

INFLATION OF RATE FOR OIL BY THE OIL POOL.

No. 153, dated 27th January 1930, from Chamber to Government of India, Commerce Department.

I am asked to bring to your notice the disparity in rates charged by the Anglo-Persian Oil Company, Limited, to their constituents. Thus the Ahmedabad Electricity Company, Limited, is charged by this Company Rs. 50 per ton f.o.r. Bombay, whereas

the Ahmedabad Jubilee Mills are charged Rs. 80 per ton f.o.r. Bombay. The latter company has protested several times against such unfair disparity but in vain. The Anglo-Persian Oil Company have a virtual monopoly and know that local consumers cannot get Diesel Oil from any other suppliers. The reason they urged for this abnormal difference in prices is that the Ahmedabad Electricity Company consume considerably in excess of what the Jubilee Mills do. Nor this is the only instance of its kind and some other instances have been brought to the notice of my Committee. It will be seen that the rates are arbitrarily fixed. Such high rates and such a difference between rates charged to consumers are detrimental to the interests of trade and industries and as such my Committee beg to hope that the Government of India will be pleased to take action in the matter.

No. 405-T (6), dated 22nd April 1930, from the Government of India to Chamber.

SUBJECT :—*Disparity in the rates for fuel oil charged by the Anglo-Persian Oil Coy., Ltd., to their constituents.*

With reference to your letter No. 153, dated the 27th January 1930, on the above subject, I am directed to say that the Government of India regret that they are unable to interfere in the matter of an ordinary business transaction.

APPENDIX CXI.

GREATER SUPPORT TO INDIAN INSURANCE COMPANIES.

Circular letter, dated 15th August 1930, addressed to Members of the Chamber.

The Indian Insurance Companies' Association representing the Indian Companies transacting Life, Fire, Marine and Accident Insurance business have addressed to the Committee of the Chamber a letter reiterating their appeal to the members of the Chamber for support. In the letter the Association acknowledges gratefully the ready response which the members of the Chamber gave to the appeal made by the Indian Insurance Companies three years ago. Having regard to the present Swadeshi movement and the resolve of the Indian people to support Indian

institutions, the Association think that present is the best time to reiterate again their appeal to the members of the Chamber for a larger support to Indian institutions.

Most of the Indian insurance companies have now been in the field for a long period. Their Balance Sheets testify to their soundness. During all these years they have paid losses promptly and have employed a large number of countrymen. It is claimed that as a result of the advent of these general insurance companies at least 500 educated Indians have been absorbed by them and a very large number of our countrymen are working as agents. The Companies themselves have gained sufficient experience and are now conducting their business efficiently and call for our support.

Insurance companies are great institutions in all parts of the world. They are handmaid to commerce and business cannot be done even for a single moment without the help of insurance companies. All our members have something to do in their everyday business with some insurance company or another. As merchants they have their stocks, as proprietors they have their bungalows and houses, as owners of motor cars they have motors to insure, and hence they have opportunities to support Swadeshi concerns.

The Committee of the Indian Merchants' Chamber sanguinely hope that the appeal made by the Indian Insurance Companies' Association for a larger support from our members will have a prompt and ready response from all the members of the Chamber, and that the day is not far when all Indians will place their business with Indian Insurance Companies.

APPENDIX XCII.

IMPORTS OF VEGETABLE PRODUCTS.

Letter, dated 6th February 1930, from the Indian Chamber of Commerce in Great Britain to Chamber.

Very recently the Council of the Chamber were approached by the Margarine Union of Holland with a request to send some of our members to their factory in Oss, Holland, with a view to

inspect the raw materials and the method of manufacture of vegetable Ghee. It may be mentioned that the Margarine Union now control almost all the firms in Holland and Germany, exporting vegetable Ghee to India, and therefore they seem to be anxious to create in India an opinion in favour of their products.

While considering the question of this visit the Council felt that it would be advisable if they had the views of the Indian Commercial Community on the subject with some suggestions that may help them in their investigation. It is obvious that the sale of vegetable products is increasing very rapidly in India. This, no doubt, raises very vital questions in regard to the (1) indigenous Ghee industry, (2) the indigenous vegetable Ghee industry and (3) adulteration of vegetable products and everything that passes under that name with the pure Ghee. It appears that the supply of pure Ghee is not sufficient to meet with the extensive demand in India and the consequent abuse for exploiting the ignorance of the masses by selling the adulterated vegetable products under the name of pure Ghee, raises the query whether the imported vegetable product is indispensable. In other words, whether the present supply of pure Ghee in India together with the supply of the indigenous vegetable Ghee product is sufficient to meet the Indian demand without resorting to imported products. As far as the pure Ghee is concerned both its supply and cost make it prohibitive for use by Indian masses. It is further understood at present the indigenous vegetable Ghee industry has not developed to such an extent as to be able to oust the imported article from the Indian market. In view of all these circumstances, if the imported vegetable Ghee product has of necessity to be tolerated at any rate for some considerable time to come, the question appears to be whether some effective ways and means could be devised with a view to ensure that such imported vegetable products are unadulterated.

The Margarine Union offer to show to our members the various processes of the manufacture of the product and the quality and nature of all the raw products used therein. They maintain that the product manufactured in their factories does not contain any animal fat or any other ingredients which might be objected to

on religious grounds or might impair the physical vitality of the consumers. In this connection our attention has been drawn to the fact that for the consumption of the Jewish Community the Union factories have agreed to prepare a special brand, packed and sold in special packing with Jewish marks. The orthodox Jews are extremely particular on religious grounds about fat or tallow material, and the products meant for their consumption are specifically guaranteed by safeguards provided by mutual arrangement with a view to ensure that the product will not contain the prohibited ingredients. Even in this country there are special safeguards provided against the possible adulteration of Margarine with Butter. The name Butter in any way is not allowed to be used in connection with any vegetable product or Margarine.

I am directed by the Council to place these facts before your Chamber for due consideration, and it is hoped that before our representatives proceed to the factories in Holland they will have the benefit of your views and suggestions on the above points. If the Council can have any idea as to the nature of safeguards that in the opinion of the Indian Commercial Community would adequately check the growing evil, they would certainly give the same their careful consideration, and the same may even be discussed with the Margarine Union on the occasion of the visit. In conclusion the Council express the hope that in view of the importance of the question your Chamber will be good enough to let them have views and suggestions regarding the various points under reference, at your early convenience.

No. 756, dated 3rd April 1930, from Chamber to the Indian Chamber of Commerce in Great Britian.

With further reference to your letter of the 6th February on the subject of your Council visiting the factory of the Margarine Union, I am sending to you herewith a copy of a Note prepared by Mr. J. A. D. Naoroji, embodying the views of the Committee on the matter. It is clear from the Note that imports of the product should be discouraged as much as possible. My Committee fear that a visit by your Council to the factory of the Union may be used for propagandist purposes and any opinion that they

may express on the process of manufacture or on the quality of the products will have great advertising value. My Committee are therefore inclined to think that it may not be advisable for your Council to officially visit the factory. There can however be no objection to individual members visiting the same on their own initiative.

Note by Mr. J. A. D. Naoroji of Messrs. Tata Oil Mills Company, Ltd., re: Import of Vegetable Products.

With reference to the letter, dated the 6th February 1930, from the Indian Chamber of Commerce in Great Britain circulated by you on the 28th February, we have to place before you our views as the largest indigenous manufacturers of oil products.

The points at issue are: (1) whether the Holland Vegetable Product is indispensable, *i.e.*, whether if it is not imported there would be a shortage of cooking oil. These hardened oils in spite of their excellent appearance are in no way superior to a freshly expressed crude vegetable oil as a food. They only appeared in this country about seven years ago, at which time the country was entirely self-supporting regarding its vegetable fats. There has since that time been a great increase in oil crushing plants and there is no doubt that the country would not suffer from any kind of shortage, except perhaps of adulterated ghee, if imports were stopped altogether.

2. Whether the import of vegetable products injures the ghee industry. It very definitely injures the dealer in genuine ghee because the public takes no notice of quality but buys whatever is offered at low rates to the detriment of the public health.

The following comparative statement of the prices of ghee and vegetable products will show what a tremendous temptation is put before the unscrupulous dealer to adulterate pure ghee in the absence of any penal laws against such practices :—

Year.	Pure Ghee.	Vegetable product.
1925	.. Rs. 24 to 25 per maund.	Rs. 17 to 19 per maund.
1926	.. „ 22 „ 37 „	„ 14 „ 17 „
1927	.. „ 24 „ 39 „	„ 10 „ 12 „
1928	.. „ 22 „ 29 „	„ 10 „ 12 „

An extract from the report of the Ghee Merchants' Association (1928) is very illuminative :—

> " Before the import of this vegetable product, 15 members of this Association used to sell per day about 2,500 tins of ghee for local consumption, but to-day this daily sale has gone down to 400 to 500 tins only. In Kathiawar, Gujarat and other places of India, there is a special class of farmers called the *Maldharis* whose ancestral business is to breed milch-cattle and to produce ghee out of them. They keep herds and cows and buffaloes under their special care and treatment and their sole energy is directed towards producing good ghee. It is from these people that merchants in cities collect ghee in small lots and after collecting a large quantity, consign the same to Bombay and other places, where they find favourable market. But now these *Maldharis* are not in a position to maintain their cattle as they do not find proper market for their produce under the changed conditions. Many such *Maldharis* have actually given up their business of cattle-breeding and others may be tempted to do the same if the prospects of ghee-trade are not improved. The result of this will be that our milch-cattle in herds will be abandoned."

3. Whether the introduction of this product is doing harm to the health of the country. The answer is very definitely in the affirmative, in so much as it is replacing the pure animal ghee. The important fat soluble vitamin " A," which is the growth controlling factor, is absolutely absent in all vegetable products and oils. When these are used for cooking, there is no harm done as ghee also contains very little vitamin " A," when exposed to heat and oxidation; but when used as a spread or for raw eating the replacement of ghee by vegetable products is definitely harmful to the consumer. The opinion of scientists is quite uniform in this matter. The maintenance of a certain proportion of fat soluble vitamin " A " in the diet of a vegetarian, especially for the young, is a most vital factor in the growth and well-being of the race. In India, ghee is the only source, and it is very necessary to safeguard the supply of ghee both as regards quantity and quality. The present low production of ghee is doing great harm to the dairying and other farming interests in this country,

and if Government do not take early steps to prevent the large imports of vegetable product, there is a very gloomy future before the unfortunate agriculturists already heavily pressed on all sides.

4. Whether any other industry will be affected. India is the greatest all-round oil-seed producing country in the world. This is not the place to go into the figures of this trade but except for China with an exceptional crop of Soya Bean and America with an exceptional crop of cotton seed, which are both largely consumed within their own countries, India is undoubtedly the world's largest provider. Against this India's organised oil industry is absolutely negligible but oil-pressing has been from the earliest days a village industry in this country and the country has been fully supplied with oil from these sources which still exist but are now so hard pressed by foreign competition that they are not likely to survive the strain much longer and are deserving of all possible protection against this new form of economic pressure from abroad. So much for the village crusher.

As regards the organised industry, freights and container difficulties make it impossible to compete on equal terms in spite of the existence of large quantities of raw material at our very door, and this industry is also feeling the pinch of this competition.

From the above views, with which we sincerely trust that you will agree, you will see that there is a very strong case for discouraging the import of this product on the ground of indispensability or food value, which are both illusory. As regards the fact that they are cheaper than our local products, it is for you to decide whether the arguments we have advanced above about the future welfare of the country are sufficiently convincing to justify you in recommending a course which may involve the public in using somewhat more expensive, but definitely more health giving, locally made and easily available products. We are much obliged to you for the opportunity you have given us of expressing our views which we trust will have your support.

No. 3176, dated 26th April 1930, from the Indian Chamber of Commerce in Great Britain, to Chamber.

Re : Vegetable Ghee.

I am directed to acknowledge with thanks receipt of your letter No. 756, dated 3rd April 1930, kindly conveying the views of your Chamber in regard to the subject referred to above. The Council also very much appreciate your courtesy in supplying them with very interesting particulars in regard to the matter under reference. In view of the fact that there is a considerable body of opinion against any encouragement to the import of the vegetable product into India, the Council have dropped the idea of sending a deputation to visit the factory of the Margarine Union in Holland.

APPENDIX XCIII.

Speech of Mr. Amritlal Ojha, Indian Employers' Delegate to the 14th Session of the International Labour Conference, at the meeting of the Committee of the Indian Merchants' Chamber on Saturday, the 20th September 1930.

I am deeply obliged to you for the kind welcome accorded to me this morning, on my return from Geneva where I had been to attend the 14th Session of the International Labour Conference as delegate of Indian Employers.

The Session this time was eventful because of the inclusion of a pseudo-political question like the forced Labour in the agenda of the Conference. This question, as you know, affects all the subject nations principally and hence all the Powers which may be called Colonial or Imperialistic.

Sir Atul Chatterjee, principal Delegate representing the Government of India, speaking on the report of the Director, referred to certain remarks of mine and the Labour Delegate Mr. Joshi as irrelevant. If I may be allowed to say so, this criticism

of Sir Atul was itself irrelevant. He implied that we were not conversant with the procedure of the Conference. On the contrary, anyone who follows the discussion in the different Commissions set up by the Conference, the discussion at the plenary session of the Conference and also discussions in the different groups of employers, employees and Governments will be convinced of one fact which is that Politics forms the background of all such discussions. Every Government and with it employers of every different country play for a position of advantage for their respective countries, and with regard to every question are concerned less with the repercussions of that question on the general international situation than with its effects *vis-à-vis* their own country. The International Labour Conference is a part of the League of Nations, and the different representatives realise very well that the treatment of questions even at this Conference will be more or less political as is the case with discussions at the Sessions of the parent body. I would say in fact that representatives from this country, whether they represent employers or labour, will not be true to their trust if they overlook this important aspect and suborn Indian interests to the so-called international aspect of questions. Thus with regard to this question of forced labour, France, Belgium and Netherlands looked at it from the point of view of their colonial possessions and wanted that their powers of exploitation were not interfered with in any manner. It must be said that representatives of the British Government expressed themselves in full sympathy with the ideal underlying the question of the abolition of forced labour completely. Not so, however, did representatives of the Government of India who not only abstained from the last voting but went to the length of saying that the Government of India would not ratify the convention, forgetting that it did not lie with Government to ratify or refuse to ratify a convention but with the Legislature of a country. The peculiar political situation of this country which is without any responsible form of Government is thus responsible for even peculiar Indian interests being jettisoned at these International gatherings. It will be thus seen that Sir Atul Chatterjee was entirely wrong in the first place in characterising my remarks as irrelevant, and secondly in implying that I did not know the procedure of the Conference.

There are four or five days allotted to a general discussion on the report of the Director when there is a full-dress debate. Questions regarding the development of Industries and the position of labour are so much interwoven with politics that no one wanting to do justice to the claims and requirements of his country can loose sight of this and can pass by silently the overwhelming and outstanding political problems which have interfered with our industrial development and led to our economic exploitation and the appalling poverty of the land.

The other question on the agenda of the Conference was the hours of work for salaried employees in commercial establishments. With regard to this all Indian and British Chambers of Commerce, and even the Government of India, were at one in claiming that even if a Convention were passed it should not be made applicable to this country owing to the large difference which prevails between the custom and routine of Western trade and those of Indian trade. The Washington Convention had allowed for an exceptional treatment with regard to India, Japan and the like Asiatic countries regarding hours of work for industrial establishments, but a similar exception was not made this year largely, I believe, due to the fact that Japan did not claim any exceptional treatment now.

The third question related to hours of work in coal mines. It was clearly understood that any conclusions the Conference might arrive at in this regard would not be made applicable to what are known as overseas countries. An attempt was, however, made at the very beginning of the Conference to bring all the overseas countries in. It was not, however, successful. Even with regard to this question, politics played a good deal of part, and you must have noticed the remarks offered by the British Government delegate on the German delegation with reference to the latter coming in the way of the Conference adopting any convention or recommendation.

I am convinced from what I saw at the Conference that India should always be represented at these International Conferences by people with nationalist views, whether they represent employers or labour, I am equally convinced that there is a great necessity for a permanent Delegate in Geneva who will keep himself in touch

both with the League of Nations and the Labour Conference as well as the International Chamber of Commerce and the International Organisation of Industrial Employers. Several countries have got such permanent delegations. While in the case of these countries, however, it is their respective Governments who maintain these delegations, our purpose will not be served by the Government of India keeping any such delegation, as any such delegation will naturally be a medium for Government propaganda and not for Indian National purposes. I may therefore take this opportunity to suggest that the Federation of Indian Chambers of Commerce should seriously consider the question of having a permanent delegate or representative to begin with. Any expenditure which will have to be incurred will be more than repaid in the general good it will bring to our trade and industries.

I do not propose to go into any further details as myself and my colleagues are soon submitting a report to the Federation, copies of which will be sent out as usual to all Member bodies including this Chamber in due course.

Before concluding my remarks, I again thank you for the opportunity you have given to me for this interview.

APPENDIX XCIV.

INTERNATIONAL LABOUR CONFERENCE SIR GEOFFREY COR-BETT'S STATEMENT (Vide Annual Report 1920.)

No. L. 1537, dated 21st December 1929, from the Government of India, Department of Industries and Labour, to Chamber.

In reply to your letter No. 2745, dated the 6th December 1929, I am directed to say that as no official account of the proceedings of the Credentials Committee of the 13th Session of the International Labour Conference is published by the International Labour Office, the Government of India are at present not in a position to verify the report made in a *Free Press* message of the 23rd October 1929 that Sir Geoffrey Corbett made before the Credentials Committee a statement to the effect that the Government of India had been carrying on negotiations with British and Indian Chambers for the purpose of securing a common agreement for the last ten years, but that they had failed to obtain any agreement.

I am, however, to take the opportunity of informing your Chamber that as early as May 1920, the Government of India conveyed to employers' associations in this country through local Governments the suggestion that it was very desirable that the different employers' association in India should devise machinery by means of which they could elect common representatives for the whole of India for International Labour Conferences. As a consequence of this suggestion, the late Mr. Rahimtoola Currimbhoy, Chairman of the Bombay Millowners' Association, took active steps for the formation of a Federation of Associations of Employers, and in January 1921 the Associated Chambers of Commerce of India and Ceylon passed a Resolution welcoming the proposed constitution of a Federation of Indian Industries. These steps, however, did not come to fruition owing to the untimely death of Mr. Rahimtoola Currimbhoy. In 1925 the Government of India gave their cordial support to a proposal made by the Millowners' Association, Bombay, to issue a circular letter to all employers' Associations in India urging the desirability of forming a Federation of Employers' Associations, the chief object of which would be to nominate employers' delegates to International Labour Conferences. This attempt by the Millowners' Association apparently failed. The Hon'ble Member in charge of this Department has also since then in informal consultations with both European and Indian representatives of commerce frequently urged the desirability of arriving at an understanding in regard to the nomination of employers' delegates and advisers, but he has so far not been successful. I am in this connection to refer to the last sentence of the first paragraph of Mr. D. P. Khaitan's speech on page 95 of the proceedings of the second annual meeting of the Federation of Indian Chambers of Commerce and Industry and to Sir Purushottamdas Thakurdas' speech following that speech. The Government of India consider therefore that the statement attributed to Sir Geoffrey Corbett by the *Free Press*, if it was actually made, was fully justified.

No. 278, dated 8th February 1930, from Chamber to Government of India.

I am directed to acknowledge receipt of your letter No. L. 1537, dated 21st December 1929.

My Committee note that the Government of India have not yet apparently received a copy of the official report regarding the speech made by Sir Geoffrey Corbett before the Credentials Committee. If a reference is made to the Provisional Record of the International Labour Conference, dated 23rd October 1929, No. XI, page 96, it will be found that Mr. Jadunath Roy, Employers' Delegate for India, made the following statement :—

> "It was urged by the Government representative before the Credentials Committee yesterday that the Government were negotiating with the Indian and European Chambers and had been doing so for the past ten years with a view to arriving at an agreement on the question. Without admitting the implications that the non-national European organisations have any right to be consulted, I must make it clear to you that our Chambers, to the best of our knowledge, have been never consulted."

As Sir Geoffrey Corbett did not touch this point in his speech at the Conference in reply to Mr. Jadunath Roy's observations, Mr. Roy addressed a letter to Sir Geoffrey on the 24th October as follows :—

> "Mr. Erulkar informed me that at the Meeting of the Credentials Committee held on the 22nd instant you observed that the Government of India had been negotiating with Indian and European Chambers for the last ten years with a view to arrive at an agreement between them about representation of non-Government delegates and advisers to International Labour Conferences. Mr. Erulkar further told me that he pointed out to the Credentials Committee that the Chambers which he represented were never consulted on this question. You are aware that I had also to refer to this point at the meeting of the Plenary Session yesterday morning. To the best of my knowledge, the Government of India never consulted the Chambers which I represent in this connection. We all expected that you would have made the position of the Government of India clear on this subject in your remarks at the Conference yesterday morning specially in view of the

fact that this aspect of the question has considerably influenced the report of the Credentials Committee. I shall therefore feel very grateful if you will be good enough to let me know the nature of these negotiations."

Sir Geoffrey Corbett did not extend the courtesy of even acknowledging that letter.

My Committee have also seen the report made by Mr. Erulkar from the shorthand notes of the proceedings before the Credentials Committee wherein it is observed :

' The Chairman then asked Sir Geoffrey if the Government of India had tried to obtain nomination in common with Indian organisations.

Sir Geoffrey replied that the Government had been making efforts for ten years past with a view to nominations being made in agreement between Indian and European organisations, but, though nothing had so far come out of it, the Government were not without hope that their negotiations would bear fruit at not a distant date. The procedure adopted was to issue a Government communique inviting recommendations for nomination.

As this statement was made with a view to influence the Committee that needful was being done to make nominations in strict conformity with para. 3 of Article 389, I immediately intervened, and stated that without admitting the implication that European Chambers had any right to nominate, I repudiated the statement made by Sir Geoffrey Corbett that the Government have been negotiating in this direction for ten years past. I further stated that as far as the Indian Chambers were concerned, no such attempts as stated by Sir Geoffrey were ever made.

The President asked if the Government communique was addressed to any specified organisation.

Sir Geoffrey replied that it was a general communique published in the *Government Gazette* and not addressed to any specified bodies.

Chairman asked if the Government of India considered the proportion of the nomination now adopted as equitable one—Sir Geoffrey replied in the affirmative.

Then Sir Geoffrey, in a very bitter tone, added that he had been given by me a lie direct about the ten years' negotiations, but he maintained what he had stated although apparently I had no knowledge of the same."

It will be observed from all that is stated above that there could be no question whatsoever of Sir Geoffrey Corbett having made the statement referred to in the previous letter of my Committee.

As, however, you write in your letter that the Government of India consider that the statement attributed to Sir Geoffrey Corbett, even if it was actually made, was fully justified, the issue whether he did make the statement or not is not very important. In support of this statement that Sir Geoffrey Corbett was justified, a reference is made in your letter to what took place in 1920 when a Conference was held of representatives of different employers' associations to consider the formation of a body to recommend names of Employers' Delegation to the Government of India. My Committee presume that you refer to the letter written by the Collector of Bombay to the Bombay Millowners' Association regarding this question. They are of opinion that even that letter was based upon a very serious misconception of the constitution of the International Labour Conference which governs all such nominations. Even if that letter can be called a " negotiation " during all these intervening ten years my Committee are not aware of any further communications from the Government of India on this question which can be construed as " negotiation." My Committee hope that Government do not consider any stray conversation members of Government may have had with two or three representatives of Indian trade and industries as in any way being a negotiation on this important question. My Committee under all these circumstances are definitely and emphatically of opinion that no negotiations on this score have ever been carried on by the Government of India with Indian Chambers of Commerce and commercial associations regarding the nomination of the

Employers' Delegation for the International Labour Conference. My Committee have grave reasons to apprehend that the statement made by Sir Geoffrey Corbett regarding these negotiations influenced the Credentials Committee to no small extent and they, therefore, hope that now that these facts are brought to the notice of the Government of India, they will be pleased to issue a statement in fairness to the Indian Chambers and correcting the misunderstanding caused elsewhere and make it clear that no negotiations were carried on with representative Indian Chambers of Commerce or Commercial Associations.

No. L. 1537, dated 12th July 1930, from the Government of India, to Chamber.

In reply to your letter No. 278, dated the 8th February 1930, I am directed to say that the Government of India have nothing to add to the observations made in this Department's letter No. L. 1537, dated the 21st December 1929.

No. 3093, dated 26th August 1930, from Chamber to Federation of Indian Chambers of Commerce.

I am directed by my Committee to invite your attention to the Resolution passed at the last Session of the Federation held at Delhi in connection with representation at the 13th session of the International Labour Conference and particularly to that portion of it wherein the Federation expresses its regret at the statement made on behalf of the Government of India before the 13th Session of the International Labour Conference, *viz.*, that negotiations with Indian and non-Indian commercial bodies were conducted with a view to arrive at an amicable settlement on the question of the constitution of the Indian Employers' Delegation to that Conference. The speech made by the Hon. Sir Bhupendranath Mitra on that Resolution is open to misapprehension as regards the mode of carrying on such negotiations.

My Committee would like to invite the attention of the Federation to the following remarks made by Sir B. N. Mitra on page 51 :—

> " That being the position, I would not like to say very much on this point, except that if I as the responsible member

of the Government am discussing across the table a particular matter with an eminent gentleman like my friend Mr. Birla, who has held a prominent place in this body, I should certainly look upon it as a sort of negotiation."

So far as my Committee are aware, there were no negotiations carried on in this connection as can be inferred from the above observations of the Hon. Sir B. N. Mitra.

But with a view that there should be no possible ground of misunderstanding in the future, my Committee would like to request the Committee of the Federation to consider laying down that when any approach is made by the Government in the future either to the President or the Secretary or to any other important member of the Federation in a matter like this, no action should be taken thereon unless and until the Committee had an opportunity of expressing their views on the subject. My Committee trust that the Federation will be pleased to consider their suggestion favourably.

My Committee would like to reiterate their previous opinion —an opinion shared by the Federation—that in future only Indian nationals should be chosen both as Delegates and Advisers to represent the Indian Employers and Indian workers at such International Labour Conference.

Hoping this will receive your early attention.

No. F. 1112, dated 20th October 1930, from the Federation to Chamber.

With reference to your letter No. 3093, dated 26th August 1930, on the subject of representation of Indian commerce on the International Conferences, I am directed by the Committee, which considered the letter at their meeting held in Bombay on the 1st instant, to inform you that what your Committee have suggested had been the convention and practice followed by the Committee of the Federation to this time and that there has been no deviation from the procedure up to now. As regards the last paragraph of your letter, it has been the practice with the Federation to nominate only Indian Nationals as Employers' representatives at International Conferences.

APPENDIX XCV.

RESTRICTING IMPORTS OF UNROASTED COFFEE—BEANS INTO INDIA.

No. 6334-A/24, dated 4th November 1930, from the Government of Bombay, Revenue Department, to Chamber.

I am directed by the Government of Bombay (Transferred Departments) to forward a copy of the letter from the Government of India, Department of Education, Health and Lands, No. 2107-(Agri.), dated 20th October 1930, and to request that they may be favoured with the view of your Chamber on the points mentioned therein. The reply to this reference may, please, be sent by 20th November 1930, at the latest.

Copy of letter from the Government of India, Department of Education, Health and Lands, No. 2107-(Agri.), dated 20th October 1930.

I am directed to refer to this Department's endorsement No. 1344-A, dated 21st June 1930, forwarding copy of a notification of the same date which has been issued by the Government of India under the Destructive Insects and Pests Act, 1914, prohibiting, with effect from the 8th August 1930, the import of unroasted coffee beans into the Madras Presidency by sea, or, save where the import is from a place within India, by land.

2. This notification which is the outcome of proposals originally submitted by the Madras Government in 1925, in regard to which the local Government were addressed in this Department's letter No. 676-Agri., dated the 13th April 1926, aims at preventing the introduction from abroad, through imports of coffee, of the insect pest known as *Stephanoderes hampei*, a weevil which bores into the berries reducing the yield of marketable coffee and which has caused very serious damage in Java, Sumatra, Central Africa, Brazil and the West Indies. The Government of India were fully aware when issuing the notification that the protection it conferred was limited in scope, as it did not prevent the import at ports outside the Madras Presidency of coffee which might find its way into consumption in the south of India. They were,

however, anxious to close the most likely source of infection with as little delay as possible pending a decision on the wider question of the total prohibition of the import of unroasted coffee beans which has been engaging their attention for some time past.

3. Developments which have occurred since the issue of the notification have greatly strengthened the case for general prohibition. It has been brought to the notice of the Government of India that the pest has actually been discovered on a number of coffee estates in South India and that local measures for its control involving considerable expenditure have been rendered necessary. It has also been reported that the additional cost of railway freight from ports outside the Madras Presidency is not an effective deterrent to the import of unroasted foreign coffee beans into the Madras Presidency. It is thus clear that the only hope of successfully eradicating the pest and of preventing its re-introduction into India lies in making the existing restrictions of general application.

4. The question of the necessity for general prohibition of the importation of coffee other than roasted or ground was one of those referred to local Governments for opinion in this Department's letter No. 676-(Agri.), dated 13th April 1926, referred to above. After consideration of the replies to their enquiry on this point the Government of India did not feel justified in imposing general prohibition. The circumstances explained in the preceding paragraph have, however, compelled them to reconsider this view, and they are now of opinion that nothing short of the total prohibition of the import of unroasted coffee will safeguard the coffee plantations of South India against the risk of constant re-infection by a pest which threatens the very existence of the coffee growing industry. The alternative course of prohibiting imports from infected countries only, which was suggested in Mr. Hydari's letter No. 676-(Agri.) of 13th April 1926, has proved, on further investigation, to be impracticable owing to the wide distribution of the pest and the probability that it exists in certain coffee growing countries from which it has not actually been reported, and I am to express the hope that neither the local Government nor local commercial opinion, which they will doubtless take steps to ascertain, will raise any objection to the extension

of the existing restrictions to imports of coffee other than roasted and ground at all ports in British India.

5. I am to add that the possibility of preventing the introduction of the pest by sterilisation of coffee by steam heating or by roasting in bond at the port of entry has been examined but that it does not appear that satisfactory arrangements in this regard can be made. The Government of India propose to investigate the matter further but, as at present advised, do not consider it probable that either of these methods is likely to prove a satisfactory alternative to total prohibition.

6. It is proposed that foreign coffee should be both roasted and ground before import. It is believed that no wholesale trade in roasted coffee beans exists at present, coffee being sold either as unroasted beans or as ground coffee, and it is doubtful if an import trade in roasted beans will develop. On the other hand, it would not always be easy to determine by rapid inspection if coffee beans had been sufficiently roasted to destroy all insect life. If ground coffee alone is imported, it will be certain that the coffee has been fully roasted and is free from live insects.

7. In view of the urgency of the matter, it is requested that a reply to this letter may kindly be sent at a very early date, if possible, not later than the 1st December 1930.

No. 3767, dated 26th November 1930, from Chamber to Government of Bombay.

With reference to your letter No. 6334-A/24, dated the 4th November 1930, on the above subject, I am directed to state that my Committee agree with the proposal of the Government of India that importation of coffee beans other than roasted or ground should be entirely prohibited.

APPENDIX XCVI.

BOYCOTT OF BRITISH GOODS—GOVERNMENT PAMPHLET ENTITLED.

No. 2119, dated 4th July 1930, from Chamber to Government of Bombay, Home Department.

The attention of the Committee of the Indian Merchants Chamber has been drawn to a leaflet entitled " Boycott of British

Goods" (First Edition) printed at the Government Central Press and presumably issued by the Director of Information. The said pamphlet, my Committee understand, has also been translated in vernaculars and distributed freely and widely through the agency of Police. My Committee would like to know whether it is in accordance with any resolution that the Government have passed or under whose instructions or whose request the said pamphlet has been published and distributed, and the cost incurred in compilation, printing and distribution of the same.

My Committee would like to point out how such a misleading heading as was put up on the leaflet, is likely to give a prospective reader the impression that it is published by a party or parties who believe in and advocate such a boycott. Is it that the heading was specially thought out to ensure the pamphlet being read?

Looking to the contents of the pamphlet the Committee are surprised to find that it proceeds from the Government which has repeatedly professed sympathy for the advancement of Indian Industries. It is a serious thing that Government should have identified themselves with a campaign of villification against Indian Industries and enterprises and should have entered into the arena of publicity on behalf of foreign vested interests such as Shipping, banking and insurance. My Committee feel that it can hardly be an accident that the pamphlet is issued in a Presidency which is known for its Swadeshi enterprise.

Government cannot be unaware that commerce, particularly banking and insurance, depend on credit, and this attempt on the part of Government to belittle the credit of indigenous institutions is very much to be deprecated, because once an injury is done thereto, no amount of reparation can restore it.

My Committee understand that the pamphlet referred to has been withdrawn and the remaining copies destroyed, thus confirming that the protests that the commercial community had made was well-placed and that Government, though it has not confessed in so many words, have to admit that the pamphlet was thoroughly

unjustified. My Committee would like to be informed how many copies of these pamphlets were printed, how many were distributed and how many destroyed. They would also like to know whether these leaflets were distributed at any other place or places besides Bombay city.

It is a pity that Government should have thought it fit to alienate the stable interests at a time when they should have made attempts to enlist their sympathy.

The employment of Police agency for distribution of such leaflets, specially when relations of the Police with the public are so much strained, and more so when the plea of maintaining Law and Order under any circumstances and by any means, is an action which is reprehensible and cannot be defended. In fact such actions are bound to create most undesirable effect, and therefore my Committee request a thorough enquiry and a full explanation as to how and why the Police came to be employed.

Following is reprint of leaflet printed at the Government Central Press, Bombay.

BOYCOTT OF BRITISH GOODS.

The Working Committee of the Congress has advocated an early and effective boycott of British Goods, British banking, insurance, and shipping institutions. At first sight the proposal appears to be attractive to every patriotic Indian. But is it practicable ? Every student of economics will tell you that it is not and that any attempt to carry it out would inevitably lead to a great harm to the consumer or average citizen. Why ? Because the proposal means that the consumer must abandon superior products and confine himself to inferior types of articles for which he would have to pay in all probability inflated prices. It is well known that many British products are the best in the world. For example, British machinery is unrivalled. British drugs hold a high place in the market. The consumer is now called upon to confine himself to commodities which in point of usefulness, durability or efficiency are much inferior to these.

British Banks are the mainstay of our banking system in India. They provide wide facilities and the strongest security. Why should people ignore these secure concerns in favour of much less stable ones ? Are there yet enough powerful Indian Banking organisations to replace them ?

Why should Indians boycott British Insurance Companies when it is by no means certain that there are equally good Indian Companies to replace them ? Surely this will mean that the Indian Companies will immediately raise their rates, and in any case they are too few to cope with the business. If British Insurance concerns are boycotted, what of the persons who have already insured with them ? Are they to boycott their own vested interests ? If so, what is to happen to their policies ?

British shipping more than any other determines the cost of transport of goods to and from India. This is a well-known fact. If British shipping is boycotted it must necessarily lead to a reduction in competition. And a fall in competition must result in an increase in freights, which means that the prices of goods will rise. Such rise in prices will also prevent the sale and export of goods outside India. India is an exporting country sending out large quantities of raw produce. Increase in freight will affect her export trade and the prosperity of the ryot.

In brief the blow aimed at the Britisher must recoil on India itself. There are many Indians serving in British firms. If as a result of boycott business contracts, as it is bound to do, the British firms will have no alternative but reduce Indian hands or their wages. There will be an increase in unemployment. The proposal will bring the little but distress to the country.

No. 2972, dated 14th July 1930, from Government of Bombay to Chamber.

I am directed to acknowledge the receipt of your letter No. 2119, dated the 4th July 1930, addressed to the Secretary to Government in the Home Department, regarding the leaflet entitled " Boycott of British Goods."

APPENDIX XCVII.

ASPERSIONS ON THE BUSINESS INTEGRITY OF INDIAN MERCHANTS BY MR. T. M. AINSCOUGH, H. M. TRADE COMMISSIONER IN INDIA.

Copy letter No. 2972, dated 28th March 1930, from the Indian Chamber of Commerce in Great Britain, London, to the Secretary, Indian Merchants' Chamber, Bombay.

I am directed by the Council to send copies of letter addressed to the Department of Overseas Trade and the High Commissioner in respect of certain objectionable remarks made by Mr. Ainscough in his paper read before the Royal Society of Arts meeting, for the information of your Chamber and for such action as may be deemed necessary in that regard.

In this connection a representative of the Department of Overseas Trade saw Mr. Erulkar, the Chairman, and a communication is now expected from the Department. A copy of the same when received will be sent to you. At the instance of the Chairman, however, the Royal Society of Arts have agreed to expunge the portion under reference from Mr. Ainscough's paper, as also Sir James Simpson's remarks in the same connection. Your Chamber will realise that attempts are being made in this country to discredit the Indian Commercial Community. What is more regrettable is that such insinuations are tolerated with palpable indifference by the Indian Government officials posted in this country. Mr. H. A. F. Lindsay, the Indian Trade Commissioner, was present at the meeting, actually took part in the discussion, and even joined in the exchange of compliments and felicitations, but kept studied silence regarding the offensive remarks under reference. The Indian Trade Commissioner is stationed here ostensibly for the purposes of advancing the interests of Indian trade and commerce in this country, and reflections of a sweeping character on the business morality of Indians would seriously prejudice such an object. The occasion under reference was certainly one on which he ought to have taken a strong objection to the unwarranted attack made on the business morality of the Indians. Instead of doing that he seemed to acquiesce by his silence with Mr. Ainscough in the objectionable remarks. The Council take a

serious view of this attitude of the Indian Trade Commissioner. They think that the matter should be taken up by the representatives of Indian trade and commerce with a view to emphasise upon the Government of India the necessity of having Indian Officers alive to the obligations their position involved and ever ready to protect the Indian Commercial Community from any such unwarranted attacks. The Council will be glad to learn what action your Chamber decide to take in this connection.

Copy of a letter, dated 7th March 1930, from the Indian Chamber of Commerce in Great Britain, London, to the Secretary, Department of Overseas Trade, London.

The attention of the Council of this Chamber has been drawn to the following remarks made by Mr. T. M. Ainscough, C.B.E., H. M.'s Trade Commissioner in India and Ceylon, in the paper he read before the Royal Society of Arts on Tuesday, the 4th instant:

> "It must be admitted, however, that India is regarded in many quarters as being a difficult market in which to give credit with average security. The Committees of the Indian Chambers of Commerce and the heads of the larger Indian firms, who are the leaders of Indian commercial opinion, would be doing a real service to India by enjoining on their less sophisticated members the need for prompt and scrupulous fulfilment of their contractual obligations."

It appears that these remarks elicited further reflections on the Indian business morality. In the course of the discussion that followed, Mr. D. R. Erulkar, the Chairman of the Chamber, had to intervene, and took exception in emphatic terms to such reflections as being wholly unwarranted. The Council further understand that Mr. Ainscough in reply did not refer to Mr. Erulkar's observations. This studied silence in reply on the part of Mr. Ainscough to Mr. Erulkar's protest seemed to aggravate the implication. Under the circumstances I am directed by the Council to convey to you their sense of resentment at the damaging insinuation made by H. M.'s Senior Trade Commissioner for India against the Indian business community. It is very unfortunate that Mr. Ainscough, while he emphasised in the same paper the necessity of closer co-operation between Indian and British businessmen, should make remarks tending to discredit the Indian businessmen.

The Paper was read under the auspices of the Royal Society of Arts, and it is understood that in the ordinary course these unwarranted remarks will go on the record of that Society and be thus given wide and extensive publicity in this country and abroad through the medium of the Journal issued by the Society. In view of the seriousness of the remarks, I am directed to request you to ask Mr. Ainscough to withdraw the remarks in question and to take early steps with a view to expunge the relative portion in his paper.

The Council have no doubt that you will appreciate that while it is very essential that anything likely to cause unpleasantness and estrangement of relations between the two Commercial Communities should be scrupulously avoided, such insinuating remarks prejudicial to the prestige of the Indian business community can in no way be calculated to promote better understanding between them. The Council count upon your co-operation to achieve this result.

No. 840, dated 24th April 1930, from Chamber to Government of India, Commerce Department.

The attention of the Committee of this Chamber has been drawn to the following remarks made by Mr. T. M. Ainscough, His Majesty's Trade Commissioner in India and Ceylon, in the course of a paper he read before the Royal Society of Arts, London, on the 4th March :—

> "It must be admitted, however, that India is regarded in many quarters as being a difficult market in which to give credit with average security. The Committees of the Indian Chambers of Commerce and the heads of the larger Indian firms, who are the leaders of Indian commercial opinion, would be doing a real service to India by enjoining on their less sophisticated members the need for prompt and scrupulous fulfilment of their contractual obligations."

My Committee regret to note that a responsible Officer of His Majesty's Government, stationed in India for the ostensible purpose of furthering the trade relations between India and Great

Britain, should have gone out of his way in casting such unwarranted and uncalled for aspersions on the business integrity of Indian merchants through whose goodwill only he could extend British trade with India. They would have treated the 'obiter dictum' of Mr. Ainscough with indifference, but for the fact that because of his official position his remarks may be construed in uninformed quarters as being authoritative and from personal experience and would have the result of prejudicing Indian interests in foreign markets.

My Committee's purpose in drawing your attention to the incident is to express their surprise that this statement should have been allowed to remain unchallenged officially. They understand that Mr. H. A. F. Lindsay, the Indian Trade Commissioner in London was also present at the meeting and allowed the above remarks of Mr. Ainscough to go unchallenged. Mr. Lindsay, they are further informed, participated in the deliberations of the meeting, but refrained from protesting against the slur cast on Indian business morality.

My Committee will be greatly obliged if the Government of India will be pleased to make enquiries regarding the incident, and also if the Indian Trade Commissioner protested against Mr. Ainscough's unwarranted remarks.

APPENDIX XCVIII.

LLOYD BARRAGE ADVISORY COMMITTEE.

No. 296, dated 11th February 1930, from Chamber to Government of Bombay, Revenue Department.

Mr. Lalji Naranji, representative of this Chamber in the Bombay Legislative Council, has placed before my Committee your letter of the 21st December 1929 and his reply dated the 2nd January 1930 and your further letter to him of the 3rd February 1930 on the above subject. My Committee have given these letters their very careful consideration and have directed me to address you as follows :—

2. The Visvesvaraya Committee have pointed out in their report the large magnitude, the great cost and the vast implications

of the Lloyd Barrage and Canal Construction Scheme. As irrigation is a Provincial subject under the Government of India Act of 1919, the responsibility for financing the scheme and ensuring its success rests entirely with the Government of Bombay. According to the original estimates the scheme was to have cost Rs. 18¼ crores, a figure which subsequently increased to Rs. 20·3 crores, of which more than half the amount has already been spent.

3. With the object of co-ordinating the policy and work of all the departments concerned in the successful completion of the entire project, *viz.*, the Department of Irrigation, Communications, Land Policy and Revenue, Agriculture, Forests and Administration, a Standing Committee consisting of officials of these departments has been appointed. My Committee welcome the co-ordination of the activities of these departments as enabling Government to know what the total cost at every stage will be for the successful completion of the entire scheme. Government made an attempt in July last to obtain estimates of the total probable cost from these various departments, and my Committee believe that Government have gathered that the total cost of the project in all its aspects will be nearly double the estimated cost of the Barrage alone, if the costs of all these various departments to make the scheme a success is taken into account.

4. It was pointed out during the Debate in the Legislative Council by Mr. Lalji Naranji that the total cost may roughly amount to about Rs. 50 crores, and though the Finance Member did not go so far, he stated that it might amount to about Rs. 40 crores. It will, therefore, be all the more necessary first to know what each of these departments will be called upon to spend in making the complete project a success. A mere quarterly survey of the progress of the Barrage Works, at present issued, gives no information about the cost already incurred and to be incurred in the future by departments other than those concerned with the actual construction. But the Standing Committee should be able to gather the opinions of the Heads of the various departments and prepare an estimate of the annual total cost at every stage.

5. The other Committee which Government propose to appoint, *viz.*, the Advisory Committee on which 12 non-officials, 8 from Sind and 4 from the Presidency proper, are to be appointed, is however, the main subject matter of this letter. In your letter to Mr. Lalji Naranji you have referred to the functions of the proposed Committee as (1) to advise Government generally on all matters connected with the Barrage project; and (2) to advise on any matters referred to them by Government or by the Standing Committee. We are further informed that the Advisory Committee would meet at least once in six months, that the meeting place would be at Karachi, and that it would hold a joint meeting with the Standing Committee at least once a year.

6. My Committee however are of the opinion that these functions are not only incomplete and vague but are of little practical value considering the magnitude, the huge cost and the vast implications and ramifications of the scheme. Indeed, my Committee are convinced that the functions of the proposed Committee must be made more definite and so expanded as to give them the power of initiative and adequate control over policy and expenditure. Even before such a Committee is constituted, we would suggest that a survey be made of the work done so far in order to enable the proposed Committee to comprehend the exact present situation and the future responsibility. Further, if the proposed Committee are to exercise really useful functions, we would suggest that the proceedings of the Standing Committee should be regularly available to them, and until the proposed Committee have arrived at a decision on matters arising out of such proceedings, Government should not decide on any matter connected with the project. Further, the Advisory Committee should not be restricted in its functions only to matters connected with the Barrage project. The point is that the Advisory Committee should not be so limited in its functions as to become a mere subordinate body working under the Standing Committee and impotent to take any initiative or exercise any control over policy and expenditure.

7. My Committee would recall in this connection the opinion expressed by them in the matter of the Advisory Committee on

Back Bay Reclamation. But they regret to see that the lesson of that disaster has apparently been wasted and Government intend to follow the same old discredited methods. In order to avoid a possible repetition of the same blunder, my Committee would suggest that the functions of the proposed Advisory Committee should be laid down on the lines of the functions assigned to such semi-government bodies as the Port Trusts which exercise real control over policy and expenditure, in the case of the Port Trust of Bombay amounting to about Rs. 3 crores a year.

8. Further, my Committee regret they cannot approve of having on such a body, as is proposed, members who may be directly or indirectly connected with, or interested in, the project in some of its ramifications. They have strong objections, in principle, to the appointment of such persons on an *Advisory* body, for it would defeat the very object with which such a body is created. What is wanted is a body consisting of disinterested persons who could express their independent and disinterested opinions on matters connected with the project in policy, expenditure or items of work. An Advisory body, moreover, can only serve its purpose if it contains independent businessmen.

9. In conclusion, my Committee desire to emphasise that unless a Committee of the kind suggested by them is appointed with functions of the type indicated, it will not command public confidence. My Committee hope that looking to all that has been said above, Government will be pleased to alter radically the constitution and functions that they may have in view of the proposed body on the lines indicated by us.

No. 3777-B/28, dated 21st December 1929, from Government of Bombay to Mr. Lalji Naranji.

I am directed by the Governor in Council to forward a copy of Government Resolution No. 377/28 of December 21st, 1929, and to enquire if you will consent to serve as a member of the advisory committee.

LLOYD BARRAGE AND CANALS CONSTRUCTION SCHEME.

Standing and advisory committees in connection with the Government of Bombay, Revenue Department, Resolution No. 3777/28, dated 21st December 1929.

As announced in the pamphlet 'Sind and the Lloyd Barrage' published in July last the Governor in Council has decided to set up two committees in Sind, one a standing committee consisting of officials and the other an advisory committee consisting of non-official gentlemen, to assist Government in the prosecution of the Lloyd Barrage and Canals Construction Scheme.

Standing Committee.

2. The Governor in Council is pleased to direct that the standing committee shall consist of the following officers:—

Chairman.

The Commissioner in Sind.

Members:

The Chief Engineer, Lloyd Barrage and Canals Construction.

The Revenue Officer, Lloyd Barrage and Canals Construction.

The Chief Agricultural Officer in Sind (when appointed).

The Deputy Financial Adviser, Lloyd Barrage and Canals Construction.

The Conservator of Forests, Sind Circle (when questions concerning the Forests are under consideration).

3. The object with which the committee has been appointed is that any major proposals affecting the project or requiring the orders of Government may reach Government in a form giving

the considered opinions of all the local heads of the responsible departments. The committee will accordingly deal with—

(*a*) all matters of importance in which action taken in the Barrage area is likely to affect Government policy or administration outside that area or *vice versa*;

(*b*) all matters of importance in which action taken by one of the Barrage Departments is likely to affect the working of another of the Barrage Departments;

(*c*) all financial considerations arising out of (*a*) and (*b*) *supra*;

(*d*) all suggestions and recommendations submitted by the advisory committee.

4. The recommendations of the standing committee shall be forwarded by the Chairman to Government together with copies of the minutes of the proceedings of the committee.

5. The committee will ordinarily meet monthly from April to October and at such other times as the Chairman may appoint. It will hold a joint meeting at least once a year with the advisory committee.

Advisory Committee.

6. The Governor in Council is pleased to direct that the advisory committee shall consist of 12 non-official gentlemen, 8 from Sind and 4 from the Presidency proper.

Its functions shall be (i) to advise Government generally on all matters connected with the Barrage project and (ii) to offer advice on any matter referred to it by Government or by the standing committee.

It shall meet at least once every six months, the meeting place ordinarily being Karachi, and it shall hold a joint meeting with the standing committee at least once a year.

Any information, not being of a confidential character, required by the committee from the various Government departments in Sind for the discharge of its functions shall be called for by the Chairman alone and only from the heads of those departments, *viz.*, the Commissioner in Sind on general matters of policy, the Chief Engineer on engineering and irrigation matters, the Revenue Officer on matters connected with the disposal of Government waste lands, etc., the Conservator of Forests, Sind Circle, on forest matters, the Chief Agricultural Officer in Sind, or, until he is appointed, the Director of Agriculture on matters pertaining to agriculture, and the Deputy Financial Adviser on accounts matters.

Copies of all periodical reports connected with the Barrage project issued by any of the heads of the departments referred to in the preceding sub-paragraph or by Government and of all Government Resolutions, etc., which are communicated to the public shall be supplied direct to the Chairman and to each member. The prevailing rules for the distribution of periodicals shall be in force.

7. The members of the committee shall be entitled to travelling allowance, first class accommodation for journeys by rail or by sea for each member himself and third or the lowest class accommodation for one servant for each, if taken, being allowed. The requisite provision will be made in next year's budget under "55, Construction of Irrigation, Navigation, Embankment and Drainage Works."

8. The names of the gentlemen nominated to the committee will be announced shortly. They will hold office for a term of three years.

Letter from Lalji Naranji to Government of Bombay, dated 2nd January 1930.

I beg to acknowledge receipt of your letter No. 3777-B/28, dated December 21st, 1929, with a copy of Government Resolution No. 3777-28 of the same date and thank you for your kindly offering me a seat on the Advisory Committee.

I have read the Government Resolution and I am glad to find that Government after spending a huge sum of about 50 per cent. of the project have found the necessity of the advice of some non-official gentlemen in the prosecution of the Lloyd Barrage and Canals Construction Scheme.

About the Standing Committee I believe it is necessary that there should be a common policy adopted by all the Departments in the Scheme and I do not wish to say much about that Committee, as it is purely Official.

The object of an Advisory Committee consisting of non-official gentlemen, according to the Government Resolution, is to assist Government in the prosecution of the Scheme. I beg to differ fundamentally on the method proposed by Government to assist them. In the first place, it is not made clear whether the 12 non-official members of the Committee will all be members of the Council or non-members. It is also not clear whether the 8 members from Sind, if they are appointed, will be members who have got a direct interest in the Scheme, regarding which questions have been raised in the Council, even against their privilege to vote upon the grants for the Lloyd Barrage Schemes.

I suggest that no member connected in any way with the Scheme be appointed to such Committee, either from Sind or from the Presidency.

The functions of such Committee as proposed by Government are very vague. I should suggest that the functions of that Committee instead of being merely to offer advice on any matter referred to it by the Standing Committee, it should be made compulsory on the Standing Committee that the recommendations of the Standing Committee on all matters referred to in paragraph 3 (*a* to *d*) of the Resolution before being forwarded by the Chairman to the Government be forwarded to the Advisory Committee for their views. Government will then have the views of both the Officials and non-Officials.

If Government are really anxious to get the advice of the Committee, which may be called "Advisory," to which also, as a matter of principle, I have an objection, but still to make

even that Advisory Committee useful, it is necessary that the non-Official Committee should also meet monthly and consider all matters referred to the Standing Committee. I do not see the utility of a Committee which meets once every six months and also meets the Standing Committee once every year. It is much better not to appoint such a Committee and ridicule public opinion.

I even suggest that before the Budget is proposed to be submitted to Government by the Lloyd Barrage it must be considered by the Standing Committee and referred to the Advisory Committee for their opinion on all matters. It was pressed in the Legislative Council for the appointment of an Advisory Committee with a view to control expenditure, details of which are not possible to be gone into by either the Finance Committee or the members of the Council. It was with this object that such a Committee was suggested to be appointed. Unless such a Committee is appointed, I am sorry I cannot agree to serve as a member of the proposed Advisory Committee.

Letter No. 3777-B/28, dated 3rd February 1930, from the Government of Bombay to Mr. Lalji Naranji.

I am directed to acknowledge receipt of your letter of 2nd January 1930 and in reply to observe as under.

2. Of the 12 members of the Advisory Committee, two will be nominees of the Karachi Chamber of Commerce and the Indian Merchants' Association, Karachi. These bodies have nominated Mr. E. A. Pearson and Mr. T. K. Jeswani. The following gentlemen have accepted the invitation of Government to be members of the committee :—

1. Mr. Jamshed Mehta of Karachi (who will also be Chairman of the Committee).
2. Sir Shah Nawaz Khan Bhuto, M.L.C.
3. Khan Saheb Allabhakhsh Umar, M.L.C.
4. Rao Saheb Tharumal Bilaram.
5. Haji Abdullah Haroon, M.L.A.
6. Mr. Hoosainbhoy A. Laljee, M.L.C.

7. Khan Bahadur Abdul Latif Khan, M.L.C.

8. Sardar G. N. Mujumdar, M.L.C.

9. Mr. Darshan Singh Maluk Singh.

Of these gentlemen, Sir Shah Nawaz Khan and Rao Saheb Tharumal Bilaram, it is understood, own land in the Barrage area, and the former gentlemen and Khan Saheb Allabhakhsh Umar have taken up yearly contracts for earth work. I am to say that the Governor in Council does not consider that the circumstance that two or three members of the committee have an interest in the scheme constitutes a disqualification. On the contrary, he is of the opinion that the committee will be strengthened by the inclusion of gentlemen who have a direct interest in making the scheme a success.

3. The Governor in Council regrets that he cannot accept the suggestion that the recommendations of the standing committee must in all cases be referred to the advisory committee before they are communicated to Government. In the nature of things an advisory committee, whose members reside at different places all over the Presidency, cannot meet as often as a committee, all of whose members are residing in one place. Such an arrangement would inevitably lead to delays, the consequences of which might be serious. The Governor in Council however trusts that as many cases as possible will be referred to the advisory committee, and he proposes to direct that a copy of the minutes of the meetings of the standing committee shall be sent to each member of the advisory committee, and it would be open to any such member to ask the standing committee for information in regard to any matter which had been submitted to Government without previous reference to the advisory committee at the next joint meeting of the two committees. This arrangement would seem to provide adequate means whereby the advisory committee can keep in close touch with the work of the standing committee. Further there is no desire on the part of Government to limit the number of joint meetings to one in the year. On the contrary, if at any time between April and October, *i.e.*, in the non-touring season, the advisory committee intimates to the chairman of the standing

committee that it desires to have additional joint meetings for the discussion of any particular question, the chairman will arrange for such joint meetings.

4. There is no provision that the advisory committee shall only meet once in six months. There is nothing to prevent the committee from meeting as often as it desires to.

5. In regard to your suggestion that the budget should be referred to the advisory committee before it is submitted to Government, I am to point out that the intention was that the committee should perform the same functions as the Finance Committee of the Legislative Council does, *i.e.*, it should advise as the attitude which the Legislative Council will take on new items. It will be arranged that the standing committee will communicate these to the advisory committee for its opinion, and if possible other items of the budget will be similarly communicated for any constructive suggestions that the advisory committee may be able to make.

6. I am to express the hope that in the light of these remarks you will be able to see your way to accept a seat on the Committee.

No. 3777-B/28, dated 11th March 1930, from the Government of Bombay, to Chamber.

I am directed by the Governor in Council to acknowledge receipt of your letter No. 298 of 11th February 1930, and in reply to state that, if Government were to accept the suggestion of your Chamber that the functions of the proposed committee should be laid down on the lines of the functions assigned to such semi-Government bodies as the Port Trusts which exercise real control over policy and expenditure, it would be tantamount to an abdication of their functions and could only be effected by resort to legislation. It was not the intention of Government when setting up this committee to endow it with such extensive powers; the use of the word 'advisory' in its title accurately describes what was intended to be its scope. Government have, however, after considering the points put forward by Mr. Lalji Naranji, already enlarged the scope of the committee, and it will be found that it has the widest possible powers consistent with its advisory.

character. I am to point out that over and above the terms detailed in Government Resolution No. 3777-28 of 21st December 1929 (a copy of which is forwarded herewith) the committee is to be invested with the same powers as those of the Finance Committee of the Legislative Council as regards all new items of expenditure, and Government will welcome any constructive suggestions on the Barrage estimate, if the committee will supply them in good time. In regard to the question of supplying the Advisory Committee with copies of the minutes of the meetings of the Standing Committee I am to state that the minutes will ordinarily be forwarded to the Chairman of the Advisory Committee, but that the Chairman of the Standing Committee will be given discretion to withhold any confidential information which he considers should not, in the interests of Government, be divulged either to the Chairman or the Member of the Advisory Committee. The reasonableness of such a proviso will, it is trusted, be readily admitted: it is anticipated that it will seldom, if ever, be necessary to have recourse to it.

2. In your letter you have suggested that the Advisory Committee should not be restricted in its functions to matters connected with the Barrage project. If you refer to such matters as the provision of roads and other communications, the improvements of canals outside the Barrage area, which may be necessitated by the construction of the Barrage, the creation of new administrative machinery, agricultural improvements, etc., I am to point out that it was always the intention of Government to refer to the committee all such matters, even though indirectly connected with the Barrage project, and that there need be no apprehension that the committee will be kept in the dark on any aspect of the work.

3. I am lastly to point out that the fact that one or two members of the proposed committee have taken up yearly contracts from Government for work in connection with the construction of the canals does not in the opinion of Government disqualify these gentlemen, who, as zamindars, are vitally interested in the success of the project, from offering their advice upon it, and that the committee is sufficiently large to prevent the interests of a small minority, if divergent, from overriding those of the majority.

4. I am to request the favour of an early reply as to whether in the circumstances now explained Mr. Lalji Naranji will accept a seat on the committee.

LLOYD BARRAGE AND CANALS CONSTRUCTION SCHEME.

Standing and Advisory Committees in connection with the Government of Bombay, Revenue Department, Resolution No. 3777-28, dated 21st December 1929.

As announced in the pamphlet ' Sind and the Lloyd Barrage ' published in July last, the Governor in Council has decided to set up two committees in Sind, one a standing commuitee consisting of officials and the other an advisory committee consisting of non-official gentlemen, to assist Government in the prosecution of the Lloyd Barrage and Canals Construction Scheme.

Standing Committee.

2. The Governor in Council is pleased to direct that the standing committee shall consist of the following officers :—

Chairman.

The Commissioner in Sind.

Members.

The Chief Engineer, Lloyd Barrage and Canal Construction.
The Revenue Officer, Lloyd Barrage and Canals Construction.

The Chief Agricultural Officer in Sind (when appointed).
The Deputy Financial Adviser, Lloyd Barrage and Canals Construction.

The Conservator of Forests, Sind Circle (when questions concerning the Forests are under consideration).

3. The object with which the committee has been appointed is that any major proposals affecting the project or requiring the orders of Government may reach Government in a form giving the

considered opinions of all the local heads of the responsible departments. The committee will accordingly deal with—

(*a*) all matters of importance in which action taken in the Barrage area is likely to affect Government policy of administration outside that area or *vice versa* ;

(*b*) all matters of importance in which action taken by one of the Barrage departments is likely to affect the working of another of the Barrage departments ;

(*c*) all financial considerations arising out of (*a*) and (*b*) *supra* ;

(*d*) all suggestions and recommendations submitted by the advisory committee.

4. The recommendations of the standing committee shall be forwarded by the Chairman to Government together with copies of the minutes of the proceedings of the committee.

5. The committee will ordinarily meet monthly from April to October and at such other times as the Chairman may appoint. It will hold a joint meeting at least once a year with the advisory committee.

Advisory Committee.

6. The Governor in Council is pleased to direct that the Advisory Committee shall consist of 12 non-official gentlemen, 8 from Sind and 4 from the Presidency proper.

Its functions shall be (i) to advise Government generally on all matters connected with the Barrage project and (ii) to offer advice on any matter referred to it by Government or by the standing committee.

It shall meet at least once every six months, the meeting place ordinarily being Karachi, and it shall hold a joint meeting with the standing committee at least once a year.

Any information, not being of a confidential character, required by the committee from the various Government departments in Sind for the discharge of its functions shall be called for by the Chairman alone and only from the heads of those departments, *viz.*, the Commissioner in Sind on general matters of policy, the Chief Engineer on engineering and irrigation matters, the Revenue Officer on matters connected with the disposal of Government waste lands, etc., the Conservator of Forests, Sind Circle, on forest matters, the Chief Agricultural Officer in Sind or, until he is appointed, the Director of Agriculture on matters pertaining to agriculture, and the Deputy Financial Adviser on economic matters.

Copies of all periodical reports connected with the Barrage project issued by any of the heads of the departments referred to in the preceding sub-paragraph or by Government and of all Government Resolutions, etc., which are communicated to the public shall be supplied direct to the Chairman and to each member. The prevailing rules for the distribution of periodicals shall be in force.

7. The members of the committee shall be entitled to travelling allowance, first class accommodation for journeys by rail or by sea for each member himself and third or the lowest class accommodation for one servant for each, if taken, being allowed. The requisite provision will be made in next year's budget under "55 Construction of Irrigation, Navigation, Embankment and Drainage Works."

8. The names of the gentlemen nominated to the committee will be announced shortly. They will hold office for a term of three years.

By order of the Governor in Council,

J. W. SMYTH,

Secretary to Government.

Letter No. 612, dated 19th March 1930, from Chamber to Government of Bombay.

I am directed to acknowledge the receipt of your letter No. 3777-B/28, dated the 11th March 1930, and to state that under the circumstances as explained by you Mr. Lalji Naranji, representative of this Chamber, will accept a seat on the Lloyd Barrage and Canals Construction Advisory Committee.

APPENDIX XCIX.

LEASES OF LARGE ESTATES ON SUKKUR BARRAGE.

Press Note P-25, dated 12th July issued by Government of Bombay.

Leases of large Estates under the Sukkur Barrage.

The Government of Bombay are prepared to consider the grant of a number of leases of large estates of areas from 2,000 to 20,000 acres in the Barrage area at concession rates to individuals or syndicates who are prepared to undertake in return certain services to Government. These services may take the form of :—

(*a*) the supply of pure seeds for distribution through Government agency ;

(*b*) the cultivation of land by improved mechanical means by way of demonstration ;

(*c*) the undertaking to grow on a large scale crops which are under experiment by the Agricultural Department ;

(*d*) the installation of power pumping plant on lift lands ;

(*e*) the scientific reclamation of kalar lands ;

(*f*) any other large scale experimental work in agriculture approved by the Standing Committee on the Lloyd Barrage.

2. The Government lands in the Barrage area are much fragmented, and the larger blocks of Government land suitable for such grants are for the most part situated in the Umarkot

and Tando Bago talukas at the tail of the Eastern Nara and Rohri Canal systems respectively; and on the Johi Branch of the Dadu Perennial Canal in Larkana District. Further particulars of large areas of vacant land can be obtained from the Revenue Officer, and village maps can be inspected in the Revenue Officer's Office at Karachi.

3. The leases will be for a period of ten years or upwards, on payment of a sum of annual lease money to be arranged according to the nature of the services to be rendered by the lessee. The Revenue Officer, Lloyd Barrage and Canals Scheme, Karachi, is authorised to carry out preliminary negotiations with lessees in accordance with this notice, on the understanding that the terms finally arranged and the form of lease will require the prior sanction of Government before they come into force.

Letter No. 3185, dated 16th September 1930, from Chamber to Government of Bombay, Revenue Department.

With reference to the press-note by the Director of Information No. P-254, dated 12th July 1930, the Committee of the Indian Merchants' Chamber have now considered the same, and under instructions of the Committee I have to draw your attention to the statement made by Sir Chimanlal Setalvad on 9th June 1923, speaking on behalf of Government, wherein he stated that—

> " Then, Sir, various vague apprehensions were expressed about foreign syndicates coming on the scene and exploiting the vast tracts of land made available by the barrage project in Sind. I may at once tell the Council, Sir, that there has been no application of that character before Government from any syndicate at all, and there is no intention on the part of Government to enter into any such arrangement. And, Sir, I am prepared to assure the Council that if the question ever arises in the future whether any syndicate or company should be allowed to purchase land from the new canals, Government will favour the condition that such syndicate or company should be largely Indian in capital and control, and will give this House an opportunity of discussing the question before it is decided. (*Vide* Bombay

Legislative Council Debates, vol. IX, page 152, dated 8th and 9th June 1923.)"

My Committee take that the lands made available will be offered to Indians and syndicates of Indians, and that the statement made by Sir Chimanlal Setalvad that there is no intention on the part of Government to enter into any arrangements with foreigners or foreign syndicates, still stands.

My Committee would also suggest that in order that Indian syndicates and Indians with small means may be able to take benefit of the grant of leases, the areas of land should not be as large as indicated in the said Press Note and that smaller areas should be leased out.

Letter No. 3962-B/24, dated 1st November 1930, from Government of Bombay to Chamber.

With reference to your letter No. 3185, dated 16th September 1930, regarding leases of large estates under the Lloyd Barrage Area, I am directed by the Governor in Council to state for the information of your Chamber that the policy governing leases in the Barrage area will be embodied in a model lease form which will be framed in consultation with the Lloyd Barrage Advisory Committee after some applications for leases have been received. I am to request that your Chamber may also be informed that Government have not departed from the views expressed by the Honourable the General Member in the Bombay Legislative Council on 9th June 1923. I am to add that the Press Note of 12th July 1930 referred to by you was in connection with the leases of certain lands at concessionary rates in return for certain services to be rendered to Government and did not refer to leases of small plots of land mentioned in the Press Note No. P-69, dated 7th March 1929 (copy appended).

Press Note No. P. 69.

From various notices in the Press it appears that some public anxiety is beginning to be felt regarding the disposal by Government of the waste lands which will be irrigated by the Lloyd Barrage Scheme in Sind. The disposal of these lands will be spread over a long period of years during which Government's land sale

policy must be kept closely correlated with the needs of a changing financial situation. Moreover, as the general features of this scheme are in some important respects markedly different from those of other large irrigation schemes with which the public is familiar, it is desirable to preface this preliminary statement of Government's policy with some descriptive remarks of a general character.

The Barrage scheme was primarily undertaken not with the view of bringing into cultivation large areas of Government waste lands, but with a view to making more secure the precarious conditions under which agriculture is at present carried on in areas already occupied and so increasing the cultivation and improving the general condition of the existing landholders and cultivators in the tract. That being so, there is a marked absence of the large areas of hitherto uncultivated waste which form a familiar feature of the Punjab irrigation scheme. Out of the gross area of 7½ million acres commanded by the schemes, the greater part is not Government land, but is already in the occupation of private persons, and only some 1½ million acres, after uncultivable land and land to be reserved for public purposes has been deducted, are available for the purpose of distribution. This vacant land is very much fragmented. There are some 3,000 villages in the whole tract, and in almost every one of these the land is partly occupied and partly unoccupied, the unoccupied being distributed among the occupied land in blocks of irregular shape varying in size from a few acres to a few hundred acres.

Secondly, the area under command is at present mostly settled on existing inundation canals and under the current survey is divided into survey numbers of irregular size and shape. For the purposes of the control of water under the scheme it has been found necessary to have the bulk of the area resurveyed into rectangles of uniform shape and size, along the sides of which the new water-courses will generally be aligned. It is hoped that eventually the existing landholders in the area will recognise the advantages to them of having their lands rectangulated wherever possible, but it is likely that many years will elapse before the bulk of the occupied areas are rectangulated. All the larger blocks of

Government unoccupied land, however, are being rectangulated by a special staff under the Revenue Officer, and already many progressive landholders are requesting or consenting to have their holdings rectangulated. The rectangulation operations were commenced in 1927, and, so far as concerns the larger blocks of unoccupied land, are being pushed on to completion as rapidly as possible. It will readily be seen that it is not advisable to give out new lands in the larger blocks before the rectangulation operations have been completed and the new water-courses aligned.

Thirdly, the Barrage is not expected to be completed before the spring of 1932, so that water will not be available for the new canals until the inundation season of that year.

These simple facts at once lead to certain conclusions. New colonists cannot be settled on the land long in advance of the date when water will be available ; the failure to realise this elementary fact led to much avoidable distress in some of the earlier Punjab schemes. There is much preliminary work to be done in the larger unoccupied areas before these lands can be disposed of profitably to Government and to the purchasers. Since most of the area contains a considerable nucleus of zamindars and cultivating owners already depending on agriculture for their livelihood, it is necessary to aim at the orderly development, so far as possible, of the whole tract at one and the same time. It is not possible to deal with the Barrage area piecemeal, deferring the development of certain sections until that of others is practically complete. Government are, however, in a position at this stage to give some general indications of the policy which they intend to adopt in the disposal of waste lands, while reserving to themselves full liberty to change that policy in any directions which experience or changing circumstances may indicate. The various classes of grants to be made may be conveniently considered under the following heads :—

I.—Fallow-forfeited and mohag grants.

Government have already made clear their opinion that the indigenous population have the first claim to consideration in the development of the area, and the

Royal Commission on Agriculture has recently expressed the same view. Details regarding the decision to grant three and a half lakhs of acres to existing landholders at the nominal rate of Rs. 15 per acre have been published and discussed in the Legislative Council, and are now sufficiently familiar to all whom they affect to render their further elaboration unnecessary. Since Government are undertaking a capital expenditure of over Rs. 30 per acre on this very land and on every other acre already occupied, the magnitude of the financial concession being made to the existing landholders in the tract will be readily understood. Government consider that the resources of these landholders can best be employed, and will be fully employed, for many years to come in bringing their lands under the more intensive cultivation which will be possible under Barrage irrigation.

II.—Peasant grants.

Although it is not possible to settle peasants on the land before cultivation operations can be undertaken, the terms on which Government are prepared to grant land to peasants can at this stage be indicated. When the Jamrao was colonised thirty years ago, grants for both Sindhi and Punjabi peasants were given free of malkano. In the Punjab to-day fairly heavy recoveries are made from peasants. The Punjab peasant is required to pay Rs. 3 per allotted acre for the first ten years, and thereafter has the option of paying Rs. 5 per year for ever, without acquiring proprietary rights, or of paying heavier annual payments over a period which may extend to forty years for the purpose of acquiring proprietary rights, according to the following scale :—

Number of years for which payment is made.	Payment per acre.
	Rs.
1	100
or 2	55
or 5	24

Number of years for which payment is made.	Payment per acre.
	Rs.
or 10	13
or 15	10
or 20	9
or 25	8
or 30	7
or 40	6

Government can no longer afford, nor do they consider it necessary, to give land to peasants free. The *hari*, whose status is raised to that of a peasant proprietor, has his income largely increased, and there is no reason why he should not pay a reasonable share of that increase to Government by way of instalments for the purchase of his land. But in the present conditions of Sind agriculture, Government do not think it desirable to attempt to levy the prices which the Punjabi peasant willingly pays, and they have therefore empowered the Revenue Officer to make grants to Sindhi peasants on the following conditions. The peasants will be tenants-at-will for the first five years, during which they will pay Rs. 3 per annum per allotted acre and will be required to comply with certain conditions framed with a view to ensuring that they actually live on or near their land and bring it under cultivation. Thereafter, they will be required to pay malkano equivalent to half the amount paid by peasants in the Punjab, according to the following scale :—

No. of years.	Annual payment per acre.
	Rs. a. p.
15	5 0 0
or 20	4 8 0
or 25	4 0 0
or 30	3 8 0
or 40	3 0 0

It will be understood that the ordinary land revenue will be recovered in addition of these payments of malkano. The peasants

will thus be able to complete payment for their holdings within a period ranging, at their option, from 20 to 45 years. It is not desirable to permit payment within a shorter period, since the object is to get the peasants settled on the land and not to encourage them in the speculative selling of their holdings. The present value of these payments is about Rs. 50 per acre. Government consider that peasants should be settled only in land of good quality and that a grant should ordinarily be about 16 acres and never more than 24 acres. With the intensities of cultivation that will be possible, and must be encouraged, under the Barrage, this will admit of as much annual cultivation as an ordinary *hari* with the assistance of other members of his family can cope with. For the present, Government have authorised the Revenue Officer to set aside 50,000 acres for the purpose of peasant grants. This is enough for 3,000 peasants, and is a sufficient commitment for Government to make at this stage. The exercise of due discrimination in the selection of these peasants is a matter of difficulty, and more than this number can hardly be dealt with before the Barrage canals are actually flowing, when the matter can again be reviewed.

It is not proposed at present to give peasant grants at concession rates to other than Sindhis (including Tharis). The Punjabi peasant is sufficiently alive to the value of perennial irrigation and will be able to buy land in the ordinary way at full rates provided that he is given reasonable opportunities to purchase small holdings and pay for them by instalments. An exception will be made in the case of Punjabi *abadgars* already settled in Sind in respect of areas mainly colonised by Punjabis. Apart from the Punjabi, Government are not at present aware of any other class superior to the ordinary Sindhi cultivator that is likely to be attracted to cultivation in Sindh, but they are prepared to consider sympathetically claims that may be advanced on behalf of such classes. The Revenue Officer has also been authorised to consider applications from co-operative societies or other organised groups for grants on terms not more generous than those outlined above.

Military grants.—Government consider that no concessions of a financial kind should be made at the expense of the Government of Bombay on the grounds of military service. Subject to the fulfilment of a few definite commitments made before the Barrage

scheme was sanctioned, the Revenue Officer is authorised to make grants to military officers, either retired or serving, only on terms of full payment for the land either by themselves or by the Army Department on their behalf. It may, however, be advisable to give special consideration to the length of time over which payment by instalments should be permitted in the case of men who buy while they are in service lands which they will not be able to take up for some years to come.

Sales at full rates.—Having regard to the heavy capital cost of the Barrage, it is necessary to obtain for the bulk of the unoccupied land the best prices that will be procurable from time to time. Government are of opinion that good prices cannot be expected if land is sold long before water is available in the canals, and they do not therefore contemplate resort to sales on any considerable scale more than a year before the canals are open and flowing. Sales by open auction will be the rule and these will be open to all bidders, whether from this or other provinces. Payment by instalments will be permitted, the general rule being 10 per cent. down and the balance in five equated annual instalments of principal with interest at 6½ per cent. The Revenue Officer will, however, be permitted to reduce or increase the number of instalments in cases where for special reasons he considers it desirable to do so. These are the terms usually given in the Punjab, except that the rate of interest charged there is 8 per cent. Government consider, however, that the lower rate of interest proposed leaves a sufficient margin to protect them from loss; the matter would however have to be reconsidered if any considerable rise in the prevailing rate of interest should take place.

Limited auctions and sales at fixed prices.—While, however, Government consider that sales by auction should be the rule, every one familiar with the Barrage tract will recognize that there is, in the aggregate, a very large area of land for which auction sales would not be advisable or even practicable. In these cases the Revenue Officer is authorised to sell lands at a fair price fixed by him, or to hold auctions confined to a limited class of bidders. Examples of the sort of cases referred to are lands which are equally in the *mohag* of several people and of which the sale to a stranger would consequently be inadvisable, and lands in small scattered parcels to which no particular person has a valid claim

but which could not be expected to attract any considerable number of bidders at an auction. In such cases a standing offer to sell at a fixed price may be more profitable to Government. The same scheme of payment by instalments will apply here as to sales by auction.

Extraordinary grants.—It is anticipated that the Revenue Officer will receive a certain number of applications for large grants for special purposes such as cattle breeding, fruit farming, etc., generally involving some concession in the matter of price. The history of such grants in other provinces suggests that careful scrutiny of such proposals is necessary if the public revenues are to be adequately safeguarded. Government have therefore passed orders that the Revenue Officer should not sanction any application which involves either the grant of more than 500 acres or any special concession in the matter of price without the consent of Government.

Leases.—Over one lakh of acres in the Barrage area are at present held on temporary leases, either for one year or for five years, and some of these leases have been renewed in the names of the present holders for fifteen years or more. In some cases definite promises were made that the land would be permanently granted when the Barrage should come into operation, and in some cases lands were granted on the express understanding that no such claim would be considered valid. The circumstances of each grant will have to be examined, and in many cases an option to purchase will have to be given to the present owner. These lands are often very valuable since they have a water supply already available, and Government do not think that the fact that tenants have had a free lease for several years can be admitted as a valid claim to further concessions in the matter of price. The leases are now being renewed only on the condition that the holders will agree to take the lands up permanently at prices fixed by the Revenue Officer when they are called on to do so. It is likely that an extended period of instalment payments for these lands will in many cases be necessary.

The Revenue Officer has been authorised to lease for a period of years lands which are not yet ripe for sale. These leases may be for periods varying from two to ten years and may be sold either by auction or by tender or at rates fixed by the Revenue Officer.

It is expected that the sale of these leases, which are now a regular feature of colonisation work in other provinces, will bring in considerable sums and will materially assist the general development of the area by admitting of the temporary cultivation of lands for which water will be available but which in other respects are not ready for final disposal.

Grants to other departments.—The Agricultural Department has indicated that it will require land for seed farms in several localities, and the Forest Department will also require certain lands. A considerable expansion of the activities of both these departments may indeed be expected, and the recent recommendations of the Royal Commission on Agriculture on the subject are now under consideration by the officers of Government.

In conclusion, Government wish to indicate the necessary tentative nature of these proposals. The total area for disposal is very large, and sales are likely to be spread over a period of not less than twenty years, during the course of which it is certain that some of the proposals must undergo modification in the light of the changing financial situation, actual experience and public criticism. The fact that for a very considerable period Government will retain large areas of disposable land is one of the factors making for financial security. The proposals must therefore be regarded rather as a general indication of the lines along which development can for the present proceed than as an irrevocable commitment to a particular policy.

APPENDIX C.

CONDITION OF AGRICULTURISTS—BETTERMENT OF

(VIDE REPORT 1929.)

Letter No. S. 49/4/14569-I. W., dated 13th August 1930, from Government of Bombay, P.W.D., to Chamber.

I am directed by the Governor in Council to refer to your letter No. 2082, dated 10–11th September 1929, on the subject mentioned above and to reply as follows :—

Suggestion No. 1.

It seems that the Indian Merchants' Chamber assumes that the roads would not be much used as they are circuitous,

but that they would be useful for inter-farm traffic and also for traffic between villages. In such circumstances if tolls were put on, it is practically certain that the roads would hardly be used at all by the villagers except along such intermediate lengths as would allow of their escaping the levy of tolls. This would necessitate a multiplicity of toll nakas, and in these circumstances the levy would obviously be inequitable in proportion to the facility afforded.

It is Local Board's duty to provide such purely local communications and to meet the expense involved.

Suggestion No. 2.

The matter is still under consideration.

Suggestions Nos. 3, 4, 6 *and* 7.

Government do not see any reason to depart from the views already communicated in Government Letter No. S. 49-4-I. W., dated 15th February 1929.

Suggestion No. 5.

Each application for an outlet on the up stream will be considered on its own merits.

Suggestions Nos. 9 *and* 10.

A reply in regard to these suggestions will be sent to you by Government in the Revenue Department.

No. 9480-A/24, dated 23rd October 1930, from Government of Bombay to Chamber.

In continuation of Government letter, Public Works Department, No. S-49/4-14569-1. W-P.W.D., dated 13th August 1930, I am directed by the Government of Bombay (Transferred Departments) to state that as already stated in my letter No. 9480-A-24, dated 1st August 1928, Mr. Walchand's suggestion No. 9 for handing over the Government Arts Colleges at Dharwar and Ahmedabad to the Education Societies is not feasible. As regards his suggestion for the establishment of additional agricultural colleges at

Dharwar and Ahmedabad I am to state that in the opinion of Government there is no need for a second agricultural college on the lines of the Poona Agricultural College.

2. With regard to Mr. Walchand's suggestion No. 10, *viz.*, that the Agricultural Department should select in each district or taluka an enterprising agriculturist with a decent acreage who is prepared to allow the public all the facilities and information as to figures, etc., for demonstration purposes and pay to him by way of subsidy or encouragement rebate of land assessment and irrigation assessment, if any, on such demonstration area, I am to state that the principle underlying the suggestion is already adopted in practice in many parts of the Presidency, but the payment is not ordinarily made in the form of rebates of Government dues. Uusally the payment is made in kind, *e.g.*, in the Konkan a system of rice seed distribution is introduced whereby seed of improved strains is provided at half rates to certain selected growers on condition that they act as seedsmen to the rest of the village. Some of the principal forms of agricultural improvements include—

(1) improved implements ;

(2) fertilizers ;

(3) improved seed ;

(4) embankments ;

(5) destruction of pests;

In the Deccan the iron plough has ousted the wooden plough over large areas and the Agricultural Department in this Presidency has been largely instrumental in bringing this about by demonstrations on fields of cultivators without payment to them. Demonstrations with fertilizers and seed can best be promoted by payment in kind although sometimes compensation has to be paid to a man in cash if he is put to loss. Embankment demonstrations do not require any payment, while demonstrations in methods to combat pests are often supported by money or labour contributions by the people.

Letter No. S. 49/4/31028—I. W., dated 12th November 1930, from the Government of Bombay to Chamber.

I am directed by the Governor in Council to refer to this Department letter No. S. 49-4-14569-I.W., dated 13th August 1930, in which it was stated that the question of allowing the canal telegraph lines to be thrown open for the public was under consideration.

I am to say that the orders of Government in the matter have since been issued in Government Notification* No. 937-27, dated 19th August 1930, published at pages 2157 to 2159 of the *Bombay Government Gazette* (Part I), dated 28th August 1930.. A copy of the Notification, which has been slightly amended (as shown in ink) by Government Notification No. 937-27, dated 30th October 1930, is enclosed herewith for your ready reference.

APPENDIX CI.

KUMPTA-DHARWAR VARIETY OF COTTON.

Letter No. 36-A-33 of 1930, dated 29th January 1930, from the Director of Agriculture, Poona to Chamber.

In forwarding herewith an extract from letter No. 736, dated the 30th December last, from the Managing Director, the Hubli Co-operative Cotton Sale Society, Ltd., Hubli, I have the honour to request that you will be so good as to favour me with your views in respect of the area under the "Kumpta-Dharwar" variety of Cotton in the Bombay Presidency.

2. In this connection I may state that the classification according to the trade Descriptions of Cotton that is at present published in the Cotton Forecast Reports of the Bombay Presidency closely follows the classification of the Bombay Chamber of Commerce printed in their periodical Trade Returns. According to this classification the "Kumpta and Dharwar" variety of cotton is composed of the grade of cotton grown in

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* Not printed.

Satara, Belgaum, part of Bijapur, and Dharwar districts, as well as that in the Satara Jahagirs and part of the Southern Maratha Country States. The Bijapur district is split up into two parts. The three talukas of the district (1) Indi, (2) Sindgi and (3) Bagewadi are shown under the " Westerns " variety, while the remaining five talukas are included under the " Kumpta-Dharwar " variety.

3. These classifications or groupings are apparently made on a territorial basis inasmuch as the various descriptions or the varieties of cotton bear territorial designations such as " Broach," " Khandesh," " Sindhi," etc. But, since it often happens that the production of a grade of cotton, known to the Trade by one of these territorial designations, is not wholly restricted to the true limits of the district from which it takes its name, various stations *outside* these limits have been, for trade purposes, included in the groups to which such stations do not strictly belong. Thus, for instance, all the cotton exported from the M. S. M. Railway is designated as " Kumpta-Dharwar," though part of the line runs through Poona and Satara districts, the produce from which can hardly be fairly called by that name.

4. The Managing Director of the Hubli Co-operative Cotton Sale Society, Ltd., Hubli, now proposes that the part of the Bijapur district (*viz.*, the five talukas—(1) Bijapur, (2) Badami, (3) Muddebihal, (4) Bagalkot and (5) Hungund, that is at present included in the " Kumpta-Dharwar " area should not hereafter be shown under that area, but that the figures of area and outturn of cotton for the three Protected Areas under the Cotton Transport Act, *viz.* (1) Bagalkot Area, (2) Bijapur Area and (3) Kumpta-Dharwar Area, according to the rules of the Cotton Transport Act (copy enclosed herewith for ready reference) should be shown *separately* in Statement B showing the classified details in the Bombay Cotton Forecast Reports (A copy of the third Cotton Forecast of the Presidency for 1929-30, issued in December last, is enclosed herewith for reference).

5. I shall be glad to have your views in the matter.

Copy of extract paras. 1, 2 *&* 4 *from the letter No.* 736, *dated* 30*th December* 1929, *from the Hubli Co-operative Cotton Sale Society, Ltd., to the Director of Agriculture, Bombay Presidency, Poona, regarding Forecast Report of Cotton Crop in the Kumpta-Dharwar areas.*

1. On page 3 of the 'Third Memo. on the cotton crop, Bombay Presidency, for the Season 1929-30,' dated 7th instant, the figures 1,395,819 acres and 265,758 bales under the heading 'Kumpta and Dharwar area' include also 390,578 acres and 53,704 bales for Bijapur District (part). But, under the rules of the Cotton Transport Act, there are three protected areas, distinctly earmarked, in the Southern Division, *viz.*, Kumpta-Dharwar, Bagalkot and Bijapur areas. Cotton either from Bagalkot or from Bijapur area is strictly prohibited from being imported into Kumpta-Dharwar area. But, the inclusion of figures for Bijapur (part) in the Kumpta-Dharwar area under the present system of preparing forecast on the cotton crop is misleading the cotton merchants and growers by falsely creating in them the impression of unduly large outturn of the crop and has the tendency of unduly lowering the prices for the cotton in this area, ultimately causing losses to both merchants and growers of genuine Kumpta.

2. In order to remove misunderstanding about the area and outturn and also to ensure correct figures for Kumpta-Dharwar area I suggest that figures for Bijapur (part) should not be included in the figures for Kumpta-Dharwar area proper and figures for all the three protected areas should be shown separately in the forecast report. If my suggestion is given effect to, the figures for Kumpta-Dharwar area would be 1,005,541 acres and 212,054 bales after deducting the figures for Bijapur (part). This arrangement will place the merchants in a proper position to forecast the prices of Kumpta-Dharwar cotton, and there will be no troubles.

3. * * * * * *

4. I, therefore, wish that the necessary changes should be made in preparing the next forecast report. I shall be glad to know your view in the matter.

No. 535-A-Revenue Department, dated 18th August 1923.

Whereas it is necessary for the purpose of maintaining the quality and reputation of the cotton grown in the areas in the Bombay Presidency mentioned in Schedule I hereto appended.

Now, therefore, in exercise of the powers conferred by Sub-section (1) of Section 3 of the Cotton Transport Act, 1923 (III of 1923), the Government of Bombay is hereby pleased to prohibit the import of cotton into the said areas save under and in accordance with the conditions of a license prescribed in this behalf.

(2) The Government of Bombay, is further pleased to prohibit, under Sub-section (2) of Section 3 of the said Act, the delivery to, and the taking of delivery by, any person, at any of the Railway stations specified in the Schedule II hereto appended of any cotton when such cotton has been consigned from a railway station not situated in the said areas unless such person holds the prescribed license for the import of cotton into the said areas.

SCHEDULE I—PROTECTED AREAS.

I. *The South Surat Area* consisting of that portion of the Surat District lying between the Par river on the south and on the north the Mindhola river up to the point where the Mindhola river is met by the Bardoli-Walod road and thence along that road up to the boundary of the village of Pavaran and thence along the western boundary of the Walod Mahal up to the Purna river and thereafter the Purna river up to the eastern boundary of the Walod Mahal and bounded on the west by the sea and on the east by the eastern boundary of the Surat District.

II. *The Surat Area* consisting of that portion of the Surat District bounded on the west by the sea and on the east by the eastern boundary of the Walod Mahal and on the north by the Tapti river and on the south by the Mindhola river up to the point where the Mindhola river is met by the Bardoli-Walod road and thence along that road up to the boundary of the village of Pavaran and thence along the western boundary of the Walod Mahal up to the Purna river and thereafter the Purna river up to the eastern boundary of the Walod Mahal.

III. *The Olpad-Ankleshwar Area* consisting of those portions of the Surat and Broach Districts which lie between the Nerbudda and Tapti rivers.

IV. *Bagalkot Area* consisting of that portion of the Bijapur District lying south of the River Krishna.

V. *Bijapur Area* consisting of that portion of the Bijapur District which lies north of the Krishna and south of the River Bhima.

VI. *The Kumpta-Dharwar Area* consisting of that portion of the Bombay Presidency within the following boundaries—

On the north the northern boundaries of the Ratnagiri and the Satara Districts and the southern boundary of the Sholapur District.

On the south the southern boundary of the Presidency.

On the west the sea and the Portuguese territory.

On the east the western boundary of the Sholapur and Bijapur Districts and the northern and eastern boundaries of the Dharwar District,

and more particularly shall consist of the Ratnagiri, Satara, Belgaum, Dharwar and North Kanara Districts of the Bombay Predency.

SCHEDULE II—RAILWAY STATIONS INCLUDED IN THE PROTECTED AREAS.

I. *The South Surat Area.*—Maroli, Navsari, Vedcha, Amalsad, Billimora, Dungri, Bulsar, Gandevi, Kalvach, Chikhli Road, Rankuwa, Dholikuwa and Anawal.

II. *The Surat Area.*—Sachin, Udhna and Surat on the B. B. and C. I. Railway and Nio, Chalthan, Gangadhra, Bardoli, Timberva and Madhi on the Tapti Valley Railway.

III. *The Olpad-Ankleshwar Area.*—Panoli, Ankleshwar, Kosamba, Kim, Sayan and Utran.

IV. *Bagalkot Area.*—All stations on the Hotgi-Gadag section of the M. & S. M. Railway from Sitamani to Badami inclusive.

V. *Bijapur Area.*—All stations on the Hotgi-Gadag section of the M. & S. M. Railway from Almati to Lachyan inclusive.

VI. *The Kumpta-Dharwar Area.*—All stations on the M. & S. M. Railway between Wathar on the north and Chalgeri on the south on the Poona-Bangalore Line.

All stations from Castle Rock on the Marmagoa line on the west to Harlapur on the Gadag-Hospet branch on the east.

All stations from Gadag to Alur inclusive on the Gadag-Hotgi branch.

All stations from Miraj to Kolhapur on the Kolhapur branch, and the Sangli station on the Sangli branch.

By order of the Government of Bombay (Transferred Departments),

C. W. A. TURNER,

Acting Secretary to Government.

No. 499, dated 7th March 1930, from Chamber to Director of Agriculture.

With reference to your letter No. S-36-A-33, I am directed to inform you that my Committee have no objection to the three protected areas of the Southern Division of the Bombay Presidency being shown separately in the forecast, *viz.*, Kumpta-Dharwar, Bijapur and Bagalkot.

APPENDIX CII.

INLAND TRADE STATISTICS.

No. 63/2, dated 14th January 1930, from the Director General of Commercial Intelligence and Statistics to Chamber.

Revival of inland trade statistics of British India.

I have the honour to address you on the subject of revival of inland trade statistics the collection of which was discontinued in 1923 as a measure of retrenchment but the question of their revival in a modified form had been engaging the attention of the Government of India since then. It is at present proposed to publish each month a brief return showing the trade carried by rail and river between the different provinces of British India in certain staple commodities enumerated in Annexure A. It appears that these articles covered about 80 per cent. of the total Inland trade of British India in 1920-21, the year for which the latest figures are available.

2. The statistics of weekly arrivals into and despatches from the chief ports in respect of a few staple articles by rail and river are at present published in the Indian Trade Journal. With the growing demand for similar statistics in respect of a number of articles imported into and exported from not only the chief ports of India but also from important trade centres, it is further proposed to amplify the existing statistics and to publish them in the Indian Trade Journal on each Thursday. The articles for which statistics are to be recorded and the stations selected for the purpose are set forth in Annexures B and C.

3. The Government of India however recognise that the extent of inter-provincial trade by rail and river in the articles now selected may not be so large and important as they were in 1920-21 due to change of circumstances in the interim period. I would therefore request that you will be so good as to favour me with any suggestions which your chamber might care to make in this connection at your early convenience.

ANNEXURE A.

List of articles to be shown in the proposed Inland Trade Returns with the rates of deductions to be made from the gross weight on account of packing to arrive at the net weight.

No.	Articles.	Rates of deduction.
		Per cent.
1	Coal and Coke	*Nil.*
2	Cotton raw distinguishing	3·0
	1. Kapas.	
	2. Pucca bales.	
3	Cotton Twist and Yarn	5·5 (Foreign)
		4·0 (Indian)
4	Cotton Piece-goods .. European	3·5 (Bales)
		18·0 (Boxes)
	Indian	3·5 (Bales)
		15·0 (Boxes)
5	Dyes and Tans-Myrobalans	1·2
6	Grain and Pulse—	
	(*a*) Rice in the husk	1·0
	(*b*) Rice not in the husk	1·0
	(*c*) Wheat	1·0
	(*d*) Wheat Flour	2·0
	(*e*) Other sorts	1·0
7	Hemp (Indian) and other fibres (excluding Jute)	*Nil.*
8	Hides, raw	*Nil.*

ANNEXURE A—(contd.)

No.	Articles.	Rates of deduction
9	Skins, raw	*Nil.*
10	Hides and Skins tanned and leather	2·5 (Hides & Skins) 3·0 (Leather unwrought)
11	Jute raw distinguishing .. .. (1) Loose. (2) Pucca bales.	*Nil.*
12	Gunny Bags and Cloth	*Nil.*
13	Iron and Steel—Bars, sheets, girders and other commercial forms of iron and steel	*Nil.*
14	Lac and Shellac	4·3
15	Manganese Ores	*Nil.*
16	Mica	1·0
17	Oil-cakes	2·0
18	Oils—Kerosene .. Cases	20·7
	Drums	17·0
	Tins	7·2
	Bulk	*Nil.*
19	Vegetable oils	17·0

ANNEXURE A—(concld.)

No.	Articles.	Rates of deduction.
20	Oils seeds—	
	(*a*) Castor	1·5
	(*b*) Cotton	1·5
	(*c*) Groundnuts	1·5
	(*d*) Linseed	1·6
	(*e*) Rape and Mustard	1·5
	(*f*) Til or Jinjili	1·5
21	Salt	1·0
22	Saltpetre	1·0
23	Sugar—	
	(*a*) Refined and Unrefined	1·0
	(*b*) Gur, rab, jaggery, molasses, etc. ..	1·5
24	Tea	23·5
25	Tobacco raw	1·0
26	Woods distinguishing	*Nil.*
	(1) Teak.	
	(2) Other timber	
27	Wool, raw	5·3

ANNEXURE B.

List of articles for which weekly figures of arrivals and despatches are to be supplied with the Denominations in which the quantities are to be shown.

No.	Articles.	Denominations.
1	Coal	Mds.
2	Coke	Mds.
3	Cotton Raw	Mds.
4	Cotton Twist and Yarn	Mds.
5	Cotton Piecegoods— (*a*) Foreign	Mds.
6	(*b*) Indian	Mds.
7	Myrobalans	Mds.
8	Grain and Pulse	Mds.
9	Jowar and Bajra	Mds.
10	Rice	Mds.
11	Wheat	Mds.
12	Wheat Flour	Mds.
13	Hides (*a*) Raw	Mds.
14	,, (*b*) Dressed or tanned	Mds.
15	Skins (*a*) Raw	Mds.

ANNEXURE B—(contd.)

No.	Articles.	Denominations.
16	Skins (*b*) Dressed	Mds.
17	Jute Raw (*a*) Loose	Mds.
18	„ (*b*) Pucca bales	Mds.
19	Gunny Bags and cloth	Number.
20	Lac and Shellac	Mds.
21	Manganese Ore	Mds.
22	Oils (*a*) Vegetable	Mds.
23	„ (*b*) Kerosene	Gallons.
24	„ (*c*) Petrol	Gallons.
25	Oilcake	Mds.
26	Oilseeds (*a*) Castor	Mds.
27	„ (*b*) Cotton seeds	Mds.
28	„ (*c*) Groundnuts	Mds.
29	„ (*d*) Linseed	Mds.
30	„ (*e*) Rape and Mustard	Mds.
31	„ (*f*) Copra	Mds.
32	Salt	Mds.

ANNEXURE B—(concld.)

No.	Articles.	Denominations.
33	Saltpetre	Mds.
34	Sugar (*a*) Gur, Rab, Jaggery, Molasses ..	Mds.
35	„ (*b*) Refined	Mds.
36	Tea	lbs.
37	Tobacco, Raw	Mds.
38	Wood and Timber..	Cubic Tons.
39	Wool Raw	Mds.

ANNEXURE C.

List of important trade centres selected for registration of trade movements.

1. Agra
2. Ahmedabad.
3. Ajmer.
4. Akola.
5. Allahabad.
6. Amritsar.
7. Bangalore.
8. Bareilly.
9. Benares.
10. Bombay.
11. Calcutta.
12. Calicut.
13. Cawnpore.
14. Chittagong.
15. Cochin.
16. Dacca.
17. Delhi.
18. Hyderabad (Deccan).
19. Jubbulpore.
20. Karachi.
21. Lahore.
22. Lucknow.
23. Lyallpur.
24. Madras.
25. Madura.
26. Mandalay.
27. Meerut.
28. Nagpur.
29. Patna.
30. Peshawar.
31. Poona.
32. Rangoon.
33. Rawalpindi.
34. Sholapur.
35. Srinagar.
36. Surat.
37. Trichinopoly.

Letter No. 118, dated 18th January 1930, From Chamber to the Director General.

Re : Revival of Inland Trade Statistics of British India.

I am directed to acknowledge receipt of your letter No. 63/2 of the 14th instant, and to say that my Committee approve of the proposal to revive the publication of inland trade statistics of British India.

APPENDIX CIII.

INCLUSION OF COTTON BLANKETS UNDER PLAIN GREY GOODS.

Telegram, dated 16th April 1930, from Chamber to the Central Board of Revenue.

Committee Indian Merchants' Chamber urge inclusion of cotton blankets under plain grey goods and import duty charged accordingly. The Indian blanket industry badly in need of this protection.—*Inchambu.*

No. 260-Cus-1/30, dated 22nd May 1930, from the Central Board of Revenue to Chamber.

In continuation of my letter (acknowledgment) quoted above, I am directed to say that " cotton blankets " are still, as hitherto, classified as cotton piece-goods, but that under the law as it stands they cannot be subjected to the minimum specific duty of 3½ annas per lb. unless they are (*a*) not bleached or dyed in the piece and (*b*) without woven headings. In the absence of these conditions (and the Board understands that in practice all imported cotton blankets have woven headings), the blankets are assessable under clause (*b*) of No. 156 A of the Statutory Tariff at 15% or 20%, according to origin. The suggestion of your Chamber, therefore, would require legislation.

APPENDIX CIV.

CLASSIFICATION OF WOOLLEN HOSIERY IN THE SEABORNE TRADE RETURNS.

Letter No. 595, dated 17th March 1930, from Chamber to Director General of Commercial Intelligence.

The attention of my Committee has been drawn to the following classification of hosiery in the Seaborne Trade Returns :—

Cotton—

Hosiery—

Stockings and Socks.
Underwear.
Other sorts.

Wool—

Hosiery.

It is represented to my Committee that information classifying the woollen imports of hosiery under the three heads as in the case of cotton would be of considerable help to the manufacturers of woollen hosiery here, in that it would enable them to know the extent of the imports under each head, with a view to adjusting local production to the demand as indicated by the imports. There is a considerable force in this suggestion and my Committee would request you to provide for this additional information in future returns. Indigenous attempts to meet the requirements of the market should be encouraged and my Committee hope that there will be no difficulty in making this additional information available, so that it may be advantageously used by local manufacturers, in adjusting their production to the market demands.

Letter No. 29042, dated 25th March 1930, from the Director General, to Chamber.

With reference to your letter No. 595, dated the 17th March 1930, on the above subject, I write to say that the changes in the classification of articles in the seaborne trade returns to be introduced from April 1930 have already been decided upon and that your suggestion for amplification of the head " Wool-Hosiery " has been noted for consideration next year.

APPENDIX CV.

CLASSIFICATION OF COTTON TWIST AND YARN IN THE SEABORNE TRADE RETURNS.

No. 10009, dated 21st October 1930, from the Director General of Commercial Intelligence to Chamber.

I have the honour to enclose a copy of letter No. 1312/68, dated the 16th June 1930, from the Secretary, Bombay Millowners' Association in which he has suggested that (1) the sub-heads under cotton twist and yarn at present shown in the monthly Seaborne trade Accounts may be curtailed as follows :—

1. *Grey (Unbleached)*—
   - (i) Nos. 1 to 30
   - (ii) ,, 31 to 40
   - (iii) above No. 40
   - (iv) Two-folds (doubles)

2. *White (Bleached)*—
   - (i) Singles
   - (ii) Two-folds (doubles)

3. *Coloured*—
   - (i) Singles
   - (ii) Two-folds (doubles)

4. *Mercerised*—

and (2) the existing classification of cotton piece-goods should be revised so as to show the following groupings :—

I—*Grey (Unbleached)*—
   1. Plain grey.
   2. Bordered grey.

II—*White (Bleached)*—

This heading should be sub-divided so as to show Dhoties, Sarees, Scarves separately. The headings would then be —

1. Plain white.
2. Bordered white.

III—*Coloured, printed or dyed*—

Each of the main classifications should be separated and sub-divided into " Plain " and " Bordered." The headings would then be —

1. *Printed goods*—
   - (*a*) Unbordered,
   - (*b*) Bordered (Bordered goods to include only garment goods such as Dhoties, Sarees, Scarves, Lungis and Sarongs).
2. *Dyed goods*—
   - (*a*) Unbordered
   - (*b*) Bordered (Bordered to include only garment goods such as Dhoties, Sarees, Scarves, Lungis and Sarongs).
3. *Woven coloured goods*—
   - (*a*) Unbordered,
   - (*b*) Bordered (Bordered to include only garment goods such as Dhoties, Sarees, Scarves, Lungis and Sarongs).

I shall feel obliged if you will kindly favour me with the views of your chamber as to the desirability or otherwise of adopting these changes in the Monthly Seaborne trade Accounts of British India.

Copy of letter No. 1312–68 *of* 1930, *dated the* 16*th June* 1930, *from the Millowners' Association, Bombay, to the Director-General of Commercial Intelligence and Statistics,* 1, *Council House Street, Calcutta.*

I am directed to acknowledge the receipt of your letter No. 4066, dated the 23rd April 1930, on the subject of the revision of the classification of cotton piecegoods. Reference is made in your letter to the fact that the Association had appointed a sub-committee in January 1929 to suggest a revised classification. This sub-committee's work was discontinued later while the Government of India were contemplating certain proposals which had been made for the introduction of a system of specific duties. The final decision of the Government of India were not known until the publication of the 1930-31 Budget Statement, when the matter of import classifications was again taken up by this Association. The work of the sub-committee is now proceeding, but it will be some time before their final suggestions can be placed before the Government of India. Pending the submission of their suggestions and the Government of India's decisions thereon, it is suggested that modifications might be introduced in monthly returns of "Accounts relating to the Seaborne Trade and Navigation of British India" under the head "Imports of Cotton Textiles."

Share of Chief Ports.—Each head of textile imports should, in my Committee's opinion, indicate the share imported by Bombay, Bengal, Sind, Madras, Burma, as is at present done in the case of Raw Cotton.

TWIST AND YARN.

Grey, Unbleached—The imports of yarn $1/10^s$, $11/20^s$, $21/30^s$, are now so small that it is unnecessary to show them separately in the *monthly* returns. It is therefore proposed that, for the future, Grey Singles should be shown under three heads only, namely, $1/30^s$, $31/40^s$ and 40^s.

Grey two-folds—No change is recommended except that the share of each port should also be indicated.

White Bleached—The imports under 32^s are almost negligible, and it is therefore proposed that there should be only two divisions, namely:—

(i) White Bleached Singles, and

(ii) White Bleached Two-folds.

Coloured—Only one heading is necessary for singles and one for doubled yarns.

Mercerised—The mercerised yarn is necessarily nearly all folded yarn. Only one head "mercerised yarns" therefore appears necessary, instead of the five now given.

Total Twist and Yarn—No changes under this head are recommended.

The changes which my Committee would like to see introduced under the head Cotton Piece-goods manufactures are as follows:—

COTTON PIECE-GOODS MANUFACTURES.

Grey Unbleached—This heading is correctly sub-divided, but the quantities imported into various provinces should be given.

White Bleached—This heading should be sub-divided as to show Dhoties, Saries, Scarves separately. The headings would then be—

(i) Plain White and

(ii) Bordered White;

Coloured, Printed or Dyed—Each of the main classifications should be separated and sub-divided into Plain and Bordered. The headings would then be—

Printed goods—

(i) Unbordered;

(ii) Bordered—(bordered to include only garment goods such as Dhoties, Saries, Scarves, Lungis and Sarongs.)

Dyed Goods—

(i) Unbordered;

(ii) Bordered—(See note above.)

Woven coloured Goods—

(i) Unbordered;

(ii) Bordered—(See note against printed goods.)

I shall be pleased to hear from you, at an early date, whether the proposed modifications could be introduced in the near future.

Letter No. 3769, dated 26th November 1930, from Chamber to the Director General.

Revision of the classifications of cotton twist and yarn and cotton piece-goods in the monthly seaborne Trade and Navigation of British India.

I am directed to acknowledge the receipt of your letter of the 21st October 1930, No. 10009, on the above subject. My Committee approve of the suggestions made by the Bombay Millowners' Association which they think are an improvement on the present classification.

GENERAL.

APPENDIX CVI.

SITUATION IN BARDOLI AND BORSAD TALUKAS AND LAND REVENUE COLLECTIONS IN GUJERAT.

Letter No. 3561, dated 14th November 1930, from Chamber to Government of Bombay, Revenue Department.

I am directed by the Committee of this Chamber to draw the attention of the Government of Bombay to the situation as it

exists in some of the Talukas of Gujerat at present. My Committee were much perturbed at the reports they had been receiving regarding the situation from some of their members, and also at what has appeared in the Press. They therefore sent two representatives, Mr. L. R. Tairsee, ex-President and a Member of the Committee of the Chamber, and Mr. J. K. Mehta, Secretary of the Chamber, to see the situation personally and to submit their report to them. These two gentlemen have been to the Bardoli and Borsad Talukas and have submitted their report. A copy of this report is herewith sent as annexure to this letter.

It will be seen from this report that agriculturists from several villages in both the Talukas and also in some other talukas of the Kaira district have left their farms and their homesteads and migrated to the adjoining Indian State territory. The next assessment is, in ordinary course, due to be paid from January to March 1931, but the agriculturists are being pressed to make the payment from now or at least to give an undertaking to that effect. Measures of repression and force are adopted both for the recovery of the past revenues as well as the collection of the new revenue. The same is the case with the Borsad Taluka, though here the whole revenue up to now has been paid up, excepting an amount of Rs. 30,000 which has not been paid by 14 villages. Even though practically the whole revenue has been thus paid up in this Taluka, the agriculturists are being pressed from now to pay the revenue which in the usual course would be due from January to March next. The principle of collection appears to have been that the revenue assessments are collected after the crops have been gathered in and agriculturists have got their wherewithal to pay revenue dues. This year on account of the abnormally low prices of agricultural commodities the agriculturists in these Talukas, in common with the agriculturists all over India, will have their earnings reduced by nearly 50 per cent. It is, therefore, a case which calls for sympathetic consideration by Government with a view to remission wholly or partially of the land revenue dues. Instead of this being done, agriculturist are pressed even before usual date, by taking unwarranted steps, to pay up the new dues or to give an undertaking to that effect.

My Committee desire to make it clear that they neither endorse nor approve of the policy of non-payment of taxes for political purposes, but they cannot tolerate the unjustifiably repressive policy which can be styled as *Zulum* pursued for the recovery of the land revenue dues. They have not and cannot have any objection to the adoption of any steps which may be enjoined under the Land Revenue Code for the recovery of dues by Government. The agriculturists in several of these Talukas are thinking of non-payment of their land revenue dues. Even they, however, could have no cause for complaint if the authorities put into operation the measures provided for by the Land Revenue Code. What has happened, however, in some of these Talukas is that the Revenue and Police authorities, through over-zeal, are using methods of repression and force like beating, abuse and general ill-treatment with a view to terrorising the agriculturists into paying up their past or future dues. The result has been that the agriculturists, to avoid all this repression, have gone away to adjoining territories, leaving behind all what they cherish as their precious possessions. The condition in which they are living in these territories to which they have migrated is one full of misery and distress. My Committee doubt whether it is ever a sound policy for a State to frighten away its agriculturists and drive them out of its bounds into foreign territories. They feel that had the ordinary measures only been resorted to and the abnormal measures avoided, Gujarat might not have experienced the crisis through which it is passing at present. The report herewith annexed makes sad reading. My Committee feel it their duty to voice the grievances of Gujarat agriculturists to the Government of Bombay not only because these agriculturists are at present suffering immensely and the situation will affect Gujarat as a whole, but also because the prosperity and well-being of every State depends upon the peace and contentment of its agriculturists.

The Committee hope that this representation will receive urgent and favourable consideration, and that Government will be pleased to review the situation from a statesmanlike and considerate standpoint, and that even if they are obliged to adopt measures under the Land Revenue Code for the recovery of the land revenue dues, they trust Government will scrupulously avoid such measures

as have already embittered the agriculturists and made them resort to the extreme step of emigration to adjoining territories. My Committee beg also to urge that no steps will be taken to recover the land revenue for 1931 before the customary date, *viz.*, January next.

In conclusion, my Committee beg most emphatically to point out that if the present policy of repression and force is to continue, it will tend to alienate even those who have no sympathy at present with the movement for non-payment of taxes, as it will move them from the bottom of their hearts to see their fellow men and women being hammered and grossly ill-treated by Government officials who, instead of being guardians of Law and Order and protectors of life and property, turn to be quite the reverse.

Report dated 10th November 1930, regarding the situation in Bardoli and Borsad Talukas of Gujerat submitted to the Committee of the Chamber by Messrs. L. R. Tairsee and J. K. Mehta, specially deputed for the purpose.

We were asked by the Committee, by their Resolution passed on the 4th instant, to see the situation as it is in the Bardoli and Kaira districts and to report on the same to them.

We started on Wednesday, the 5th instant, by passenger train and got down at Navsari on the morning of the 6th. A motor car was kindly placed at our disposal by a gentleman and we went in this car to see the different places. We visited first the village of Kurel which is in the Baroda territory and where several hundreds of agriculturists from the British villages nearby have migrated to escape the repression exercised on them by Revenue and Police authorities. They were mostly from Supa, Waghej, and other villages which are separated from the British territory by the river Purna. These villagers have not paid the land revenue for 1929, and many of them not the additional amount for 1928 fixed by the Broomfield Committee, which was the year just following the Bardoli settlement. When asked why they have not paid the revenue, the answer was that it would be paid when Mahatma Gandhi and Sirdar Vallabhbhai were released and they asked them to pay the dues up. Looking however to the fact that both these

leaders were arrested after the revenue for 1929 became due, the reason given by them does not satisfactorily explain the non-payment. Whatever the reasons, the fact stands that payment of the revenue has not been made in a large number of cases for 1929, and in a minority of cases even for 1928. The total annual revenue for the Bardoli Taluka is about Rs. 5 lakhs out of which about Rs. 2½ lakhs for 1929 are estimated to be due. The agriculturists say that they would have nothing to complain against if the ordinary process of Law for the recovery of land revenue were applied against them. What they bitterly complain against is the beating and abuse and general ill-treatment to which they are continuously exposed and the wholesale confiscation of articles which are exempt from confiscation under the Land Revenue Code. It is all this which has made them leave their homesteads and migrate to an Indian State territory and live there in sheds under circumstances which require to be seen personally before one can form an idea of the hardships and sufferings which these people have to undergo. No one can have any idea as to what these sheds are. Bamboos and wooden poles are put up and support a covering which is mostly of grass. Even in this form there are only three sides to a shed, the fourth being left entirely open. There is no privacy and no protection whatsoever against the noonday heat or the cold and dews of night. During the last rains there was water everywhere, sometimes reaching to the knees, and the poor men, women and children were huddled on their bedsteds exposed to the rains from above and winds from the sides. At several places, these flimsy structures gave way. Their scanty belongings and foodstuffs got soaked and they had to depend on the charity of the village people among whom they had settled.

It was at this village of Kurel that the incident happened of British Police coming over and assaulting and abusing them in the Baroda territory. This and similar incidents which have happened elsewhere have been reported in the Press and it is hardly necessary to go into details as the reports in the Press are now of public knowledge and, in our opinion, substantially correct.

From Kurel we went to villages like Waghej and others, which were entirely deserted and in a desolate condition. Not only agriculturists but traders and working men and women, who had no

land and consequently no revenue assessment to pay, had gone away. Houses in many of these villages were substantial and pretty good structures. The reason why even people who had no land assessment to pay have accompanied the agriculturists on this Hijrat is that there is a danger of dacoits and thieves and they are afraid of the Police.

The village of Sarbhon is a fairly big village. This is not entirely deserted, but about 25 per cent. of the population is still to be seen there. The same is the case with Kadod, while Bardoli, the Headquarters of the Taluka, is practically not deserted at all. Valod, another big village, is also in a similar position. Excepting these big villages, most of the other villages are all deserted. It is estimated that about forty-four thousand people, out of a total population of 88,000, have gone away. The people who are left are mostly raniparaj people, a few Banias and Brahmins and Moslems.

We then went to the village of Ghata, which is at a distance of about 50 miles from Navsari. This is a swampy and unhealthy district belonging to the Baroda State. Hundreds of agriculturists from the adjoining British villages have migrated here and settled in the same sort of huts as we saw in Kurel. The people who have migrated here are Patidars, while those whom we saw earlier were Anavils. The recent rains inflicted untold hardships on them and owing to the malarious nature of the district about a hundred people are suffering from fever. From here we returned to Navsari, after passing through several deserted villages.

We were much struck by the spirit of co-operation and mutual help and the indomitable courage which appears to inspire both men and women. They are keen, shrewd and intelligent people, who are not ignorant of the dangers they are confronting, and yet there are no signs of flinching or drawing back. They have taken a step which may be right or wrong from different points of view, but they have taken it after consideration and due regard of the consequences.

From Navsari we went by the night passenger train to Anand, which we reached in the early hours of the morning of the 7th instant. Here also a motor car was placed at our disposal by a

gentleman. We went to Bhadran after passing through Borsad, and from Bhadran we went to a temporary camp of British agriculturists in the Baroda territory. These had mostly come from the village Ras, which was the starting point of the movement for the non-payment of taxes. We went to this village which was entirely deserted, save for a few Bania families which have not made common cause with the Patils who have migrated. Conditions in the Borsad Taluka and the other Talukas of the Kaira district are somewhat different from those in the Bardoli Taluka. All the dues for 1928 and 1929 have been paid up excepting in the case of Ras and thirteen other villages which stopped paying their second instalment for 1929 due in the latter half of March 1930 when Sirdar Vallabhbhai Patel was arrested. This amount comes up to about Rs. 30,000, the total annual revenue from the Borsad Taluka being Rs. 7,00,000.

The official revenue year begins from 31st July and revenue payments have to be made between January and March. The payment has to be made in two instalments, one in January and the other in March. This is a long established and unbroken practice. Notwithstanding this, agriculturists have been called both in Bardoli and Borsad, as also other Talukas, to pay up the dues now or to give a writing to that effect or to get sureties to promise it. People are harassed and tyrannised over even for not doing this. We should like to make this point very clear. While in Bardoli Taluka there are still dues outstanding for 1928 and 1929, there are no dues outstanding in the Borsad Taluka excepting the small amount of Rs. 30,000 referred to above. There is no justification whatsoever therefore for asking people to pay up the revenues from now when the long-established and unbroken practice enjoins paying dues from January to March. We are informed that, in several cases, money has been forcibly taken from neighbours or friends or relations of assessees and credited to the land revenue assessment of the latter, though there is not the slightest justification for such a course. The evacuation of villages in the Borsad Taluka is also on a large scale and is still going on. It is accentuated, as in the case of the Bardoli Taluka, by the repression and force exercised by the Revenue and Police authorities by taking steps which are not provided for under the Land Revenue Code.

Corporal punishment is freely meted out to the people, whether they are Khatedars or not. Such a punishment, even in the case of Khatedars not paying land revenue assessment, is outside the pale of Law. Much more so is it in the case of those who are not Khatedars. Besides the beating, there is also abuse and general ill-treatment. We think that the evacuation in both the Bardoli and Borsad Talukas would not have been so great had it not been for these unwarranted measures adopted by the authorities.

The evacuation is the biggest in this Taluka, though the other talukas also have been affected. The percentage of evacuation has been estimated in the Borsad Taluka at about 50 per cent. and is said to prevail in other talukas of the Kaira district. This emigration is still going on and it is expected that it will increase in near future, unless some settlement is arrived at with regard to the situation and people are assured that there will be no repression and harassment beyond the measures enjoined in the Revenue Code. The camps we saw in the Baroda territory adjoining the Borsad Taluka were much bigger than the ones we saw in the Bardoli Taluka. There was no other difference either in the spirit or the misery and distress or in the determination to face the consequences. The village of Bochasana, which is a big village, was also as deserted as Ras. Streets after streets lay bleak and desolate with closed houses and the only population we saw consisted of a few tradesmen and professionals who had no land. From this village we wanted to go to Sunav and other villages, but our car broke down and we had to return to Borsad from which place we went to Anand.

It is a great tragedy which we have witnessed. Agriculturists are the very prop and pillar of any State, and if agriculturists have chosen to leave off their land for which they have a proverbial passionate attachment and their homes and to migrate to an adjoining non-British territory and to live in conditions which cannot be adequately realised here, it means that there is " something rotten in the Kingdom of Denmark." The situation, we fear, is not going to improve; on the contrary will worsen considerably unless even now steps are taken to meet it in a statesmanlike and considerate spirit.

No. 6334-B/28, dated 27th November 1930, from the Government of Bombay to Chamber.

I am directed to acknowledge receipt of your letter No. 3561, dated 14th November 1930, with which you forwarded, on behalf of the Committee of the Indian Merchants' Chamber, a report of a visit to Gujarat by Mr. L. R. Tairsee, ex-President and Member of the Committee of your Chamber, and yourself. This report, which is approved by your Committee, gives a description of the conditions now prevailing in the Bardoli and Borsad Talukas as they appeared to the authors.

2. The gist of the report of the two representatives of the Chamber and of your Committee's covering letter is that, following the refusal of some of the cultivators of the Bardoli and Borsad Talukas to pay their land revenue, Government have taken measures which your Committee regard with disapproval and believe to be the cause of a considerable migration from the two talukas into the State of Baroda.

3. In the first place I am to say that Government welcome the expression by the Committee of the Indian Merchants' Chamber of their disapproval of the policy of non-payment of taxes for political purposes. This is a most important point since, whatever view may be taken of the measures adopted by Government for the recovery of the land revenue, and whatever estimate may be formed of the hardships undergone by those who have refused to pay their dues, the basic fact remains that the whole problem would be solved immediately if the cultivators abandoned their unjustifiable refusal to pay their land revenue.

4. Your Committee has stated that, in the existing circumstances, they do not object to the authorities putting into operation the measures provided by the Land Revenue Code for the recovery of land revenue, and that the cultivators themselves do not object to these measures. What the Chamber objects to is a policy described as " repression exercised by the revenue and police authorities " which is stated comprehensively to consist of " beating, abuse and general ill-treatment." It is alleged that it is on account of these measures that the cultivators have migrated from British territory to neighbouring areas in the Baroda State.

5. I am to assure your Chamber that it is not the case that the procedure prescribed by the Land Revenue Code has been departed from in dealing with the section of the population of Gujarat which has refused to pay their land revenue dues and that, instead of the legal procedure, a repressive policy of " beating, abuse and general ill-treatment " has been adopted. The measures taken under the Land Revenue Code will be referred to more particularly later in this letter, it is sufficient to say now that even these powers have not yet been fully exercised. As regards the allegation of ill-treatment, Government are satisfied that it is untrue, and such migration as has taken place is certainly not due to anything of the kind. Only a small fraction of the population of Gujarat has migrated; and this belongs almost entirely to one community, *viz.*, the Patidars; those who have not migrated from their villages (included among whom are most of the Brahmans, Banias, Kolis and the depressed classes) have not suffered any discomfort and have not complained of any oppression by the authorities. If the allegations of those who have migrated were true, those who have remained behind must have suffered greater ill-treatment than those who have safely lodged themselves outside the limits of British India. It is not by any means the case that those who have remained in the villages have all paid their land revenue; there are still numerous defaulters in British villages, but no complaints have been received that any illegal steps have been taken to recover from these their land revenue dues.

6. So far from the migration from the Bardoli Taluka being due to police repression, the fact is that it began long before the recent strengthening of the police force in the taluka. The migration was the result of an assiduous campaign conducted in the villages by emissaries of the Congress who apparently had two objects in view. The first of these was to frustrate efforts to recover land revenue by the ordinary methods allowed by the law, and the second was to give publicity to the idea that the cultivators have left their homes in consequence of the ill-treatment of the police and revenue authorities.

7. Your Committee's representatives have been misled by the representations of the migrants that they do not complain against the application of the ordinary processes of law for the

recovery of land revenue. These people do object to the recovery of land revenue by the ordinary processes. The whole problem arises from their refusal to pay land revenue in any circumstances and it is primarily in order to frustrate recovery that they have removed themselves, with their movable possessions, out of the jurisdiction of the British authorities.

8. Government also have no reason to believe the complaints about the wholesale confiscation of articles which are exempt from confiscation under the Land Revenue Code. The greatest care is ordinarily taken not to attach articles belonging to agriculturists which are exempted from attachment by law, and attachment is confined to crops, ornaments, cash, buffaloes and the like. Plough cattle, agricultural implements and necessary household articles are not taken.

9. As regards the general allegation of beating, abuse and general ill-treatment it is hardly necessary to state that serious misconduct of this kind by servants of Government if it occurred would be adequately dealt with. Such of the complaints of the migrants as have any foundation appear to be based on minor incidents which are grossly exaggerated. The complaints are not made to the officials but are widely disseminated for the purpose of embarrassing Government and when the authorities make enquiries they are frequently met with a refusal to lodge a formal complaint or to co-operate for the purposes of investigation. In short there appears to be no real desire to have complaints sifted and dealt with. The complaints are circulated not with a view to redress but for purposes of propaganda.

10. The statement that emigrants showed no signs of flinching or drawing back requires qualification. The leaders are prepared to go through with this movement and to use all their influence to deter the majority from expressing their true feelings. There is, however, clear evidence that the majority are weary of a situation which is not of their seeking. They wish to go back but they are afraid of insult and boycott from the more vocal minority. Government still trust that time will in some measure put things right. A few months ago, when the leaders were in a stronger position than they now are, their attitude and tactics were very different from what they are at present.

11. As regards the alleged hardships of the migrants it is probably not realised by city dwellers that these people are now living under conditions to which the agricultural population are accustomed when carrying on their agricultural operations such as watching crops or at harvesting or when they evacuate their villages on account of a plague epidemic and that, at this season of the year, the alleged hardships are better described as inconveniences. Bardoli taluka is so situated that the residents in almost any village have only a short distance to move in order to cross the border into Baroda territory. Migration is still easier in Borsad taluka which is completely intermingled with Baroda territory. The migrants have not abandoned their fields and crops and are able to attend effectively to their agricultural pursuits.

12. I am now to explain the measures which are actually being used under the Land Revenue Code for the recovery of arrears in Gujarat. Your Chamber's representatives' objection to the advance of the date fixed for the collection of the first instalment of land revenue both in the Bardoli and Borsad Talukas is based on a mistake of fact. The date of the first land revenue instalment has not been advanced at all in the Bardoli taluka. It has been advanced in the Kaira District by two or three months as regards dues for the current year chiefly in order to combat the declared intention in a large number of villages not to pay the land revenue in any circumstances. It might have been possible to deal with this situation, as has been done partially in other districts, by taking precautionary measures under Section 141 of the Land Revenue Code and forbidding the reaping and removal of crops and placing watchmen over them for this purpose, but in this particular area the advancement of the date of recovery appeared more likely to secure the object in view. It is not necessary to discuss whether precautionary measures or the advancing of the land revenue instalments is less inconvenient to the cultivators; this depends on the circumstances of each case. In the Kaira District the declaration of a large number of villages that they would not pay the land revenue of the current year was a concerted and deliberate defiance of the law and Government were fully justified in taking any legal measures to combat it. In the Kaira District the movement against land revenue payment is

practically confined to Patidars and no pressure is being put on other classes who have not joined the movement, so that for these classes the date has not in practice been advanced at all. The early collections have been confined to villages which have shown their intention not to pay their land revenue and to individuals whose ability to pay is certain but whose willingness to do so is doubtful. Your Chamber's representatives have themselves explained that those who were required to pay up their dues at once had frequently the option of giving a guarantee in writing or of offering sureties to promise payment on their behalf. These alternatives to actual payment are so reasonable that a mere mention of them makes any complaint futile. The advancing of the date has been questioned on legal grounds but I am to point out to your Chamber that the authority for the action taken is contained in Section 139, Land Revenue Code, read with Rule 116 (2) of the Land Revenue Rules, and is quite unquestionable.

13. In carrying out the unpleasant duty of combating this disastrous campaign, Government have, as far as possible, used the methods of recovery which cause the least injury to the defaulter. Wherever possible attachment and sale of movable property has been used before resorting to the more severe penalty of forfeiture of the land. The action of the cultivators in removing their property to Baroda State or concealing it in the houses of friends and relations now compels the Revenue officers to use the only remedy left to them, namely to forfeit the land. Forfeitures and sales of lands have already begun and Government have announced that they will maintain the purchasers of forfeited lands in full possession of the purchased property. It is not denied that the effects of these forfeitures will be serious and permanent but Government have only resorted to them in cases where less severe measures have failed. If contumacy continues stronger action will be inevitable and on those who have created the situation or in anyway encouraged the movement the responsibility will lie and not upon Government.

14. Finally, I am to refer to a passage in the second paragraph of your covering letter in which your Chamber suggests that on account of the prevailing low level of prices the case "calls for sympathetic consideration by Government with a view to remission

wholly or partially of land revenue dues." No discrimination can be made in favour of any sections of the population merely because they obstruct the collection of the revenue, and the remission wholly of land revenue dues throughout the Presidency is a proposition which can hardly be seriously intended. But it is necessary to refute the idea that the present attitude of the Borsad and Bardoli ryots can now be excused on the ground of adverse economic condition. In Borsad the assessments have remained unchanged since 1895-96 when they were based on a price level lower than that now prevailing. At the last revision settlement in the Bardoli taluka the increase in the total assessment of the taluka was only six per cent. on the assessments fixed in 1897-98. There is no evidence offered by the Chamber that the current assessments do not leave adequate margin to meet the present drop in prices. If it is necessary to remind your Chamber that Government are watchful of the economic position I am to refer to the action in March last when they suspended the whole land revenue demand, including all arrears of every kind, in the talukas of Matar and Mehmedabad of the Kaira District in addition to suspensions and resuspensions in most of the talukas of Gujarat whenever the state of the crops justified these concessions.

15. As your letter under reply has been published in the press Government are giving this letter similar publicity.

Letter No. 3839, dated 4th December 1930, from Chamber to Government of Bombay.

Subject: Land Revenue Collections in Gujarat.

I am directed to acknowledge the receipt of your letter, dated the 27th November 1930, No. 6334-B-28, and to thank the Government of Bombay for the detailed reply they have sent in answer to the communication of my Committee.

My Committee are surprised at the statement made in your letter that " as regards the allegation of ill-treatment Government are satisfied that it is untrue." They have tried their best, throughout all this period of travail and suffering of these agriculturists, to view the situation as dispassionately as possible, and to place the case of these agriculturists before Government in a considered and sober light with a view that the agricultural situation in Borsad

and Bardoli talukas in which both Government and the people are interested may get on to some improvement. But they are constrained to say that the *non-possumus* attitude Government have adopted with regard to these allegations of repression and force is not calculated to tide over the situation which is fraught with a grave peril not only to the agriculturists of these two talukas, but also to the peaceful population staying there, and is calculated to have its repercussions, not of a desirable character, on the country in general which it would be best thing to avoid during the present anxious times.

In paragraph 9 of your letter it is observed that " as regards the general allegation of beating, abuse and general ill-treatment, it is hardly necessary to state that serious misconduct of this kind by servants of Government, if it occurred, would be adequately dealt with." From statements of this sort appearing in your letter, my Committee are constrained to feel that Government have not realised the real seriousness of the position in these two talukas in Gujarat. One of the fundamental agencies through which Government can keep themselves in touch with complaints and grievances of their subjects is known in all civilised countries to be the Press. If the Government had utilised this agency for getting some knowledge and insight into what is happening in these two talukas, such statements would not have perhaps appeared in the letter under reference. Surely, it is not implied by Government that all the allegations appearing in the Indian Press regarding repression and force and also statements made by responsible people who have gone to these talukas are all merely " hysterical stories by casual visitors," as a Government Officer recently termed these statements. In the same paragraph 9, later on, you say that " the complaints are not made to the officials but are widely disseminated for the purpose of embarrassing Government and when the authorities make enquiries they are frequently met with a refusal to lodge a formal complaint or to co-operate for the purpose of investigation ", and that " in short there appears to be no real desire to have the complaints sifted and dealt with." The whole character of the present struggle is non-co-operation. My Committee feel that the duty and responsibility of a Government for the due observance of Law and Order by its own officials do not cease merely because certain sections of the people

have chosen not to co-operate with them. It is not only a recognised principle of national but international ethics that Justice, Humanity and Fairness cannot be thrown to the winds whether a Government is engaged in a struggle with some of its non-co-operating subjects or whether a Government is engaged in fighting with outside enemies. Not only that, but the struggle carried on in these two talukas is of a non-violent character. Even when the struggle has been accompanied by violence and bloodshed in other countries a Government has never been deemed justified by national or international opinion for any undue repression and force by it on the plea that the people were engaged in a struggle with it. Government cannot be unaware of the situation created in England just before the War by the militant Suffragettes who not only broke every canon of Law and Order but committed different sorts of violence and outrages, and yet the Government of the day would not have been tolerated if they had tried to justify themselves for any undue repression and force and atrocities committed on those women on the ground of disobedience of Law and Order by them. What my Committee want to emphasise is that there is a sacred duty on the Government of Bombay to see that no repression and force are used towards the agriculturists, even though the latter may have refused to pay the land revenue, and also to see that a proper Enquiry is made into all these allegations. They cannot entrench themselves behind the plausible excuse that " the complaints are circulated not with a view to redress, but for the purposes of propaganda." Non-payment of taxes, however ill-advised such a step may be deemed to be, cannot be justification for withholding all legal protection from people; nor for giving a blank cheque to minor officials in their conduct towards the people who are in their charge.

Just as Government have denied any incidents of repression and force, they also refuse to believe the complaints about the wholesale confiscation of articles which are exempt from confiscation under the Land Revenue Code. In view of this entire refusal of Government to believe any reports which have been published in the responsible section of the Indian Press or as are issued by responsible people, my Committee have no other alternative but to urge the appointment by Government of a responsible Committee, with a majority of non-Officials, commanding the confidence

of the public, to enquire into all the affairs which are going on in the Bardoli and Borsad talukas. My Committee are extremely doubtful if mere denials by Government will be helpful when statement after statement have been made public by responsible Journalists and public men regarding the conduct of affairs in the Bardoli and Borsad talukas. It is more, in fact, to the interests of Government that all these reports and statements should be sifted by such a Committee of Enquiry and the real truth brought out.

Notwithstanding that Government refuse to believe in any statements regarding repression or force or confiscation, they admit that there are complaints which have some foundation, though they say that they " appear to be based on minor incidents which are greatly exaggerated." The term " minor incidents " is after all relative, and my Committee do not know which incidents are considered ' minor ' by Government. Thus, my Committee wonder whether giving a man 50 stripes is a minor incident, or whether kicking off of cooking utensils when the aged mother of the Ex-President of the Assembly was cooking in her kitchen is a minor incident. There appear to my Committee, unfortunately, too many of such *minor incidents* and the proposed Committee of Enquiry can well look into incidents whether they are minor or major. This Committee will also be able to inquire into the allegations that the Land Revenue Code is not followed in dealing with defaulting agriculturists.

My Committee are sorry to note that Government have not realised adequately the hardships and suffering these agriculturists have taken upon themselves, albeit voluntarily, in pursuance of what they have deemed to be their duty to the country. A Government Officer recently compared the sheds in which these peasants are living with the sheds which summertime visitors put up at Mahableshwar and Panchgani. In your letter you have been pleased not to give this analogy, but you have remarked that " these people are now living under conditions to which the agricultural population are accustomed when carrying on their agricultural operations such as watching the crops or at harvesting or when they evacuate their villages on account of a plague epidemic and that, at this season of the year, the alleged hardship are better

described as inconveniences." My Committee note that you have recognised these hardships at least as 'inconveniences,' though to the countrymen of these agriculturists, who have seen their well-constructed, solid and comfortable houses, these sheds mean hardships and suffering.

My Committee made it very clear in their letter that agriculturists in Borsad and Bardoli talukas alone have evacuated, and so it was not perhaps necessary in your letter to emphasise that "only a small fraction of the population of Gujarat has migrated; and this belongs almost entirely to one community, *viz.*, the Patidars." It must be borne in mind, however, that the Patidars are the prominent agricultural community in the Borsad taluka and that Anavils and Patidars form an important section of the agricultural community in the Bardoli taluka. If these sections of the agricultural population have chosen to evacuate their farms and homesteads, it is not unfair to conclude that the agriculturists of both these talukas as a whole are affected by the movement. My Committee see no reason, after going through your letter, to change their original view that had it not been for repression and force, the evacuation would not have taken place to the extent which it has.

With reference to paragraph 14 of your letter, my Committee have not asked for any discrimination in favour of any sections of the population "merely because they obstruct the collection of the revenue." They asked for a remission in view of the abnormally low rates of the different commodities prevailing at present. Though the present campaign for the non-payment of taxes may have originated in political causes, the economic causes have also not to do a little with the political unrest. Even though the assessment may have remained unchanged since 1895-96 in Borsad, the abnormally low level of prices of agricultural commodities at present, accompanied by the higher cost of living in other directions as compared with 1895-96 justifies, in the opinion of my Committee, remission of agricultural assessments at least this year. My Committee desire to enquire of Government if they will make available to them the record of prices received by primary growers in their villages or at nearest market centres in or about the year 1895-96.

The length of this letter has been greater than usual, but this somewhat full reply appears to my Committee to be necessary in view of the feeling caused by your letter under reply that your reply conduces to the belief that the grounds urged in my first letter are justified.

No. 6334-B/28, dated 19th January 1931, from Government of Bombay, to Chamber.

SUBJECT :—*Land Revenue Collections in Gujarat.*

I am directed to refer to your letter No. 3859, dated 4th December 1930, giving your Committee's comments on my letter No. 6334-B–28, dated 27th November 1930. In the penultimate sentence of your letter your Committee inquire whether Government will make available to them the record of prices received by primary growers in their villages or at nearest market centres in or about the year 1895-1896. A weekly record of retail prices of the principal local crops is maintained at every taluka headquarters and the annual averages of these weekly prices is compiled in a statement appended to every settlement report. This information is probably sufficient for the purpose of your Committee. Government can supply the average prices for 1895-1896 for any taluka headquarters for which the Chamber requires information.

2. Enquiries have been made into two incidents alleged in your letter to have occurred. In referring to the statement of Government that such of the complaints of ill-treatment in Gujarat as have any foundation appear to be based on minor incidents which are grossly exaggerated your Committee stated that they 'wonder whether giving a man 50 stripes is a minor incident, or whether kicking off of cooking utensils when the aged mother of the Ex-President of the Assembly was cooking in her kitchen is a minor incident.' Government are informed that the local officers are not aware of any occasion on which any man was given 50 stripes or a serious beating which might be so described. As regards the second allegation the only foundation for it would appear to be the fact that in order to recover a fine of Rs. 150 from Mr. Kashibhai J. Patel who had been convicted of offence under Ordinances Nos. V and VI some utensils were attached at his house.

There is as far as Government have been able to discover no truth whatever in the story that in the course of the attachment any cooking utensils were kicked or knocked over while Mr. Patel's mother was cooking in her kitchen. I am to ask your Committee to communicate to Government in detail the information on which they based these allegations to enable further enquiry to be made.

No. 421, dated 24th February 1930, from Chamber to Government of Bombay.

I am directed to acknowledge receipt of your letter of the 19th January 1931, No. 6334-B–28.

My Committee are surprised that Government have not been able to discover the truth in the statement made by my Committee that cooking utensils were kicked and knocked over while Mr. V. J. Patel's mother was cooking in her kitchen. They have made again enquiries and are assured on extremely reliable evidence that this incident did take place and that even all the cooking utensils were taken away.

With regard to the other incident, *viz.*. that a man was beaten by 50 stripes, this also did take place. The name of the man thus beaten is Mahijibhai Mithabhai Patel. He is 45 years old and is an inhabitant of Ras. The assessment of Rs. 3-11-0 is due against him for a mortgaged land in Divel and of Rs. 6 on a similar land in Ras. There is an assessment due against his father of Rs. 135. Neither the son nor the father has paid any assessment upto now. He was taken from his fields to a Dharamshala in Ras which was originally the Congress *Chhavni* but is now in the occupation of the Police, and was given there more than 50 stripes with canes on the 24th October 1930. It took him one month to get cured, and the man was shown even to Mr. Brailsford when he visited the place. He was released after having been detained in the above-mentioned Police camp for 34 hours, during which time he was given neither water nor food.

Letter No. 6334-B/28, dated 5th March 1931, from Government of Bombay, to Chamber.

I am directed to refer to your letter, dated 24th February 1931, giving your Committee's comments on my letter No. 6334-B–28,

dated 19th January 1931. In paragraph 1 of your letter your Committee state that they have made enquiries and are assured 'on extremely reliable evidence' that the incident referred to therein did take place and that even all the cooking utensils were taken away. I am to ask your Chamber to supply the evidence to Government.

Letter No. 603, dated 20th March 1931, from Chamber to Government of Bombay.

I am directed to acknowledge receipt of your letter No. 6334-B-28 of the 5th instant, and in reply to say that the information about the incidents referred to in the previous correspondence on the subject was given to their Committee by Mr. Vallabhbhai Patel himself and was corroborated by his daughter, Miss Maniben Patel. They have, therefore, no doubt about the veracity of the same.

In view, however, of the altered conditions as a result of the Irwin-Gandhi settlement, my Committee do not wish to pursue the subject any further.

APPENDIX CVII.

CORRESPONDENCE WITH THE PRESIDENT OF THE BOMBAY CHAMBER OF COMMERCE re EUROPEANS AND THE POLITICAL STRUGGLE.

Copy of a D. O. Letter No. 663, dated the 20th June 1930, from Sir Purshotamdas Thakurdas, Kt., President, East India Cotton Association, to Mr. Hooseinbhoy A. Lalljee, President, Indian Merchants' Chamber.

You cannot have failed to notice some unfortunate misunderstanding increasing in this City between Europeans and Indians in the commercial circles. To quote only one instance, in which I am directly interested, there was what was called "boycott" of European brokers in the cotton trade. No responsible body or individuals owned to this action, nor, indeed, approved of the "boycott," but the fact remains that European brokers could not

trade in the Brokers' Hall in Shaikh Memon Street for some time. This seriously hampered business and could not but strain the otherwise cordial relations that have prevailed till now in that trade. Luckily, the movement is now at an end, but in the existing political atmosphere it may revive on the slightest excuse. As you know, the suspicion of the masses in this City was raised by the letter which the Committee of the Bombay European Association thought fit to write last month to the Local Government. I feel that, if you agree, you may write a D/O letter to the Chairman of the Bombay Chamber of Commerce inquiring if he is in a position to tell you (for publication in the press) what the opinion of the European Association and the Committee of the Bombay Chamber of Commerce is regarding the political aspirations of Indians at this juncture. I think it imperative that you, as the President of the Indian Merchants' Chamber, should try and ascertain definitely the attitude of the European commercial community as early as possible. Government have thought fit to resort to repression which threatens to increase. Do the European commercial community think that this is the only method of dealing with this movement.

If you agree with my suggestion, I shall feel obliged if you will move in this matter without delay.

D. O. letter, dated 20th June 1930, from Mr. Hooseinbhoy A. Lalljee, President, Indian Merchants' Chamber, to Mr. J. R. Abercrombie, President, Bombay Chamber of Commerce.

It has been suggested to me that I should draw your attention to the unfortunate estrangement of feeling which is increasing in this city in European and Indian commercial circles. The instance of what was called 'boycott' of European brokers in the cotton trade, as conceived and started by a few individuals a few days back, is sufficient proof of this estrangement. Although this 'boycott' is now at an end, it is conceivable that in the existing political atmosphere any such estrangement of feeling may revive on the slightest excuse. I may tell you that the suspicion of Indians in this city regarding the attitude of Europeans towards their national aspirations was raised by the letter written by th

Committee of the Bombay European Association to the local Government early last month. I think it necessary to enquire if you are in a position to give me the main outlines of the opinion of the Europeans in Bombay as represented by your Chamber and the local European Association. I know that both these bodies are members of All-India organisations; but what immediately concerns this city is :—What do the European residents of Bombay think and what do they feel about the present political situation and the means adopted by Government to deal with it and the correct method of handling it ? I need hardly say that it is generally believed that the Bombay Chamber of Commerce and the European Association here may be regarded as being representative of the views of the European citizens of Bombay generally, and I think it would be useful if you can communicate to me the opinion of these two bodies if they be in a position to express the same.

I may say that my intention is to have published in the local press a copy of this letter and your reply, if you agree to the same. I may mention that there is a strong feeling in Indian commercial circles regarding the means adopted by the Government to deal with the present situation. I wonder if you can let me know the opinion of the two bodies referred to above as to whether they consider the present measures as the only means or the correct method of dealing with the present situation.

I need hardly apologise to you for addressing this letter as I take it for granted that you yourself would like the attitude of European commerce and the European community in Bombay to be fully known to the public. I am convinced that nothing else will remove from the minds of Indians the suspicion which they entertain that the European commercial community not only acquiesce in, but even propose some of the measures which Government take to deal with the present situation.

I shall feel obliged if you will let me have your reply to this letter at your earliest convenience.

Copy of a D. O. letter, dated 21st June 1930, from Mr. Abercrombie to Mr. Hooseinbhoy Laljee.

I was very glad to receive your letter of the 20th instant and am in a position to comply with your request to let you have the views of my Committee and those of the Committee of the Bombay Branch of the European Association on its contents.

To deal first with the particular matter of the wrong impression created by the letter addressed by the Bombay Branch of the European Association to H.E. the Governor early in May, my Committee have the full authority of the Committee of the Bombay Branch of the European Association for stating that the intention of this letter was to deal entirely with the local situation, and particularly with the question of Law and Order the maintenance of which was regarded as so essential in the interests of the whole community, both of the City and the Presidency.

Nothing was included in that letter, nor was anything intended to be inferred, which altered in any way the views of the Committee of the Bombay Branch of the European Association towards the desire of the Indian people for responsible Government, and that Committee have as a result of these recent troubles in no way changed their view that they have every sympathy with all reasonable aspirations of Indians towards obtaining a suitable form of responsible government embracing the substance of Dominion Status as soon as possible.

Your attention is drawn to the action of the Council of the European Association in wiring in November last year direct to the Secretary of State for India their full support to the pronouncement of H.E. the Viceroy in connection with the Round Table Conference, which stands as the view of the European community today.

With reference to the situation which has developed since that time my Committee have in this matter also consulted the Committee of the Bombay Branch of the European Association, and

it must here be made clear that the views hereafter expressed are the views of that Branch and of the Committee of the Bombay Chamber of Commerce, who have naturally had no opportunity of consulting the All India Associations of which their bodies are members, and for whom therefore they are not entitled to speak.

These two Committees speaking for those whom they represent in Bombay find no difficulty in endorsing the conclusion reached in the statement recently issued over the signatures of prominent Indians whose patriotism cannot be questioned, reading as follows :—

> " It therefore behoves both sides to do everything in their power to secure peace with honour. Simultaneously with the calling off of the Civil Disobedience Movement there should be a general amnesty to all political prisoners not guilty of violent crimes, and the definition of the purpose of the Round Table Conference to be the evloution of a Self-Governing Dominion Constitution with safeguards for the transition period."

They believe that a solution of the present situation lies in this direction and in a policy of conciliation on both sides as this would create the right atmosphere for the consideration of India's political problem with the co-operation of all parties in India.

The European community is proud of the cordial relations which have always existed in Bombay between their own and all other communities, and it is their earnest desire that this cordial relationship should continue unimpaired and that any doubts or wrong impressions which may have arisen as to its attitude should be removed.

It should be added that this letter has been seen by and has the approval of the Committee of the Bombay Presidency Trades Association. We have no objection to the publication of these letters.

APPENDIX CVIII.

RESIGNATION OF THE CHAMBERS REPRESENTATIVES IN THE LEGISLATURES.

Copy of a letter, dated 20th May 1930, from Sir Purshotamdas Thakurdas, to the President of the Chamber.

REPRESENTATION IN THE LEGISLATIVE ASSEMBLY.

I enclose herewith my resignation as a Member of the Assembly, to be dealt with in such manner as my electorate may direct. I wish to convey to the Committee of the Chamber my grateful thanks for their uniformly considerate and courteous treatment to me during my period of office in the Legislative Assembly and beg you to accept the same for yourself.

Letter No. 1188, dated 7th June 1930, from the President of the Indian Merchants' Chamber to H. E. the Viceroy and Governor General of India.

As decided at the meeting of the Committee of the Indian Merchants' Chamber yesterday, I have the honour to forward herewith the resignation of this Chamber's representative on the Indian Legislative Assembly as a mark of the Chamber's protest against the present policy of Government. I have the honour to request that the reason for our representative, Sir Purshotamdas Thakurdas's resignation may be noted by your Excellency.

Copy of a Letter, dated the 20th May/7th June 1930, from Sir Purshotamdas Thakurdas, Kt., Bombay, to the Governor General of India, re : *his resignation.*

" I have the honour hereby to tender resignation of my seat in the Indian Legislative Assembly."

D. O. No. 6792-G. M., dated 11th June 1930, from the Private Secretary to H. E. the Viceroy, to Chamber.

I am directed by His Excellency to acknowledge your letter of 7th June 1930 forwarding resignation of Sir Purshotamdas Thakurdas from the Legislative Assembly.

Copy of a Letter, dated the 16th May 1930, from Mr. Lalji Naranji to H. E. the Governor of Bombay, tendering the resignation of his seat in the Bombay Legislative Council.

I beg to tender my resignation of my seat in the Bombay Legislative Council from the Constituency of the Indian Merchants' Chamber as a protest and as a mark of disapproval of the policy of repression adopted by the Government against the peaceful and non-violent movement initiated by Mahatma Gandhi to ensure his eleven points most of which are economical.

No. Elec. and Nom. P/30, dated 10th June 1930, from the Government of Bombay, Legal Department, to Chamber.

SUBJECT—*Resignation of seat on the Bombay Legislative Council.*

With reference to your letter, dated the 16th May 1930, addressed to His Excellency the Governor of Bombay, tendering resignation of your seat on the Bombay Legislative Council, I am directed to inform you that His Excellency the Governor has been pleased to accept the resignation of your seat on the said Council.

APPENDIX CIX.

THE REPRESENTATION ADDRESSED BY THE FEDERATION OF INDIAN CHAMBERS OF COMMERCE TO H. E. THE VICEROY re. POLITICAL SITUATION.

No. F. 522, dated 24th May 1930, from Federation to Chamber.

The Committee of the Federation which met in Bombay on the 16th and 20th instant, after considering the present political situation in the country, have decided to address His Excellency the Viceroy in the matter. I am directed to forward herewith a copy of the representation which they propose to make for your information. The Committee desire that this representation should go over the signatures of the President and Members of the Committee of the Federation and the Presidents of the various Member-bodies. I have, therefore, to request you to kindly wire your

assent for putting your signature on the representation. It is also requested that the telegraphic advice should be addressed to me as under :—

" Federation care INCHAMBU Bombay ".

and should reach me not later than Monday (26th) evening.

The copy of the representation *should not be released to the Press till Thursday, the 29th May* 1930.

Copy of a Telegram, dated 27th May 1930, from Chamber to Federation.

" Authorise you to append Mr. Hooseinbhoy A. Laljee's signature to the representation (to H. E. the Viceroy) both as member Committee Federation and as President Indian Merchants' Chamber.—INCHAMBU."

Ref. No. 521, dated the 24th May 1930, from the Federation of Indian Chambers, to His Excellency the Viceroy and Governor-General of India.

On behalf of the Indian mercantile bodies we, the undersigned, beg to address Your Excellency on the present political situation which, to our mind, if not properly dealt with, may cause very serious consequences. We appreciate the deep interest which Your Excellency has taken from time to time to solve the political problem of this country, and we trust that even now Your Excellency is very keen to find out some happy solution. We are, therefore, sure that our representation will not at all be misunderstood but will be considered in the proper spirit and with the consideration which it deserves.

In order to put forward a correct picture of the events occurring from the time of the appointment of the Simon Commission up to the present time, it is necessary that we put the important events in a chronological order. We need not, however, make any comment on the appointment of the Simon Commission which, as Your Excellency is aware, was boycotted unanimously by all the

Indian parties. We will, therefore, in putting the events in their chronological order, begin with the speech delivered by Mr. Ramsay Macdonald:

(1) Mr. Macdonald's speech that **India will become a new Dominion within the next few months.**

(2) Your Excellency's announcement, dated 1st November 1929.

(3) Delhi Manifesto by the Indian leaders, dated 2nd November 1929.

(4) Mr. Benn's speech in Parliament, and his second speech in which he said that Dominion Status was in action, dated 17th December 1929.

(5) Gandhiji's interview with Your Excellency at Delhi on the eve of the Lahore Congress and its breakdown, dated 23rd December 1929.

(6) Earl Russel's speech, dated 6th January 1930.

(7) Your Excellency's speech in the Assembly, in which you mentioned that definition of an aim is not the same as its being reached, dated 25th January 1930.

(8) Gandhiji's 11 points, dated 30th January 1930.

(9) His final letter to Your Excellency before launching on Civil disobedience, dated 2nd March 1930.

Looking at the events as they have been placed in the chronological order, one cannot fail to see distinctly the change in the situation as it went on developing. The speech of Mr. Macdonald, although not made by him in his official capacity, as he was not then the Prime Minister did raise, as it was bound to do, a ray of hope in the minds of the people. Everybody expected the Labour Party to come into power sooner or later, and there was reasonable justification for an expectation that when the Labour Party did so they would treat the Indian problem sympathetically. Mr. Macdonald's speech was, therefore, of great significance to India. Naturally, therefore, with the advent of the Labour Party in the Government, people began to speculate whether the promise

was going to be fulfilled. In the past, promises made most solemnly had more often been broken than fulfilled. It was, therefore, not unnatural if people hesitated to lay too much faith even on the Labour Government; but faith in Your Excellency, coupled with the Labour Government in England, helped to keep the hopes alive. It was in such a favourable atmosphere that Your Excellency's famous pronouncement was made. Although it was vague in many directions, and therefore suspicions naturally lurked in the minds of those who carried with them bitter experience of the past, yet with wonderful unanimity it was given a warm reception. Mahatma Gandhi and Pandit Jawaharlal Nehru representing the nationalist India on the one hand and men like Mr. Sastri and Sir Tej Bahadur Sapru representing moderate opinion on the other, put their signatures on what is now called the Delhi Manifesto. Though unanimity was achieved in the Delhi Manifesto the criticism that the pronouncement was vague could not be ignored. The statement, particularly about Dominion Status, had to be made clear. A clear definition of the function of the Round Table Conference had yet to be elicited. The crux of the situation lay in the fact that the Indian leaders thought that it was now too late to discuss the question as to when and how Dominion Status should be conferred on India. It was the unanimous view of all the political parties that an honourable settlement could only be arrived at on the basis of immediate establishment of Dominion Status. Certain views were, therefore, deliberately expressed in the Delhi Manifesto and it was hoped that if the British Cabinet wanted to solve the problem in reality they would meet the points raised in it.

At about this time an important Debate took place in the House of Commons. During the debate Mr. Lloyd George demanded a clear definition of certain vague statements. He pointedly drew the attention of the Secretary of State to the interpretation which had been put forward on the pronouncement by the Indian leaders but Mr. Benn declined to add to, or omit a word of, the pronouncement made by Your Excellency. The debate, therefore, did not carry the matter an inch further. Yet Mr. Benn's spirit, which pervaded the whole speech, did not fail to have its effect on India. But equally important it was that

the suspicions raised should be allayed. India wanted an immediate establishment of Dominion Status, and the leaders welcomed your pronouncement on this assumption alone. Naturally the question arose, whether the assumption was justified. And Gandhiji in order to clear up the issue asked for a definite assurance from Your Excellency and the British Cabinet that India was called upon to participate in the Conference only on the basis of Dominion Status being granted immediately. There was nothing new in it. It was only logical consequence of the Delhi Manifesto wherein it was unanimously stated that: "We understand, however, that the Conference is to meet not to discuss when Dominion Status is to be established but to frame a scheme of Dominion Constitution for India." In the interest of all concerned it was very important that no vagueness was left to cause any misunderstanding. In the interview which Gandhiji had with Your Excellency it was made very clear by you that you could not give any such assurance. Probably you thought under the existing circumstances you could not comply with Gandhiji's demand.

But whatever constitutional difficulties may have existed in the way of giving such an assurance as was demanded by Gandhiji, although we do not agree that such difficulties were insurmountable, it is difficult to believe that it was not possible for the Government to prove, by its deeds and spirit, that "Dominion Status was in action." How far that spirit has been shown by the Government is clear from subsequent events. Gandhiji, however, appreciating the difficulties of Your Excellency and that of the British Cabinet in giving any such assurance, probably due to the Simon Commission not having concluded its enquiry, reduced his immediate demand to the following eleven points :—

(1) Total Prohibition.

(2) Reduction of the ratio to 1*s.* 4*d.*

(3) Reduction of land revenue by at least 50 per cent. and making it subject to the legislative control.

(4) Abolition of the salt tax.

(5) Reduction of the military expenditure by at least 50 per cent.

(6) Reduction of the salaries of the highest grade service to one half or less so as to suit the reduced revenue.

(7) Protective tariff for foreign cloth.

(8) Passage of the Coastal Traffic Reservation Bill.

(9) Discharge of all political prisoners save those condemned for murder; withdrawal of all political prosecutions and abrogation of Section 124A, Regulation III of 1818 and the like and permission to all Indian exiles to return.

(10) Abolition of the C.I.D. or its popular control

and

(11) Issue of licenses to use fire-arms for self-defence, subject to popular control.

Referring to these points, he said in *Young India*: "But let the Viceroy satisfy these very simple, but vital, needs of India, he will then hear of no talk of civil disobedience and the Congress will hearily participate in any Conference where there is a perfect freedom of expression and demand"; and in a subsequent interview, he said: "If they were to concede a few main points and couple the concession with a promise that the rest would be conceded as soon as possible, I would be prepared to consider a proposition for a Conference. But the justice of all these demands must be admitted. You will agree that there is nothing new about them. Most have been handed down to us from Dadabhai Naoroji's time."

It can be seen that at least six of them, namely :—

(*a*) Total prohibition.

(*b*) Reduction of the ratio to 1*s*. 4*d*.

(*c*) Abolition of the salt tax.

(*d*) Protective tariff for foreign cloth.

(*e*) Passage of the Coastal Traffic Reservation Bill,

and

(*f*) Discharge of all political prisoners save those condemned for murder, withdrawal of all political prosecutions

and abrogation of Section 124A, Regulation III of 1818 and the like, and permission to all Indian exiles to return

are such as have been discussed from time to time in and outside the Legislatures and the opinion of the people has been fully expressed thereon. There could be no difficulty in meeting a number of those demands. But, unfortunately, Government gave little response. Even justice of any of those demands was not admitted. Far from making the people feel that Dominion Status was *in action*, it was being made abundantly clear that the Government were bent upon having their own ways against the will of the people. Earl Russel's speech and Your Excellency's speech in the Legislative Assembly indicated in unequivocal terms that hopes had been built where no justification existed. Arrests of Messrs. Ramananda Chatterjee and Subhas Chandra Bose were the first indications in that direction. Those who criticised the Delhi Manifesto began to appear to be right. Those who hesitated to cast doubts upon the pronouncement in the beginning now began to feel doubtful about their own wisdom. The Tariff Bill was the proverbial " last straw " on the camel's back in regard to those who wanted to give a fair chance to the Round Table Conference. It clearly dawned upon everyone's mind that the definition of the goal was quite different from its achievement. People rightly put it to themselves that if the British Cabinet wanted to establish Dominion Status in a reasonably short period, why should there be all this hesitation about accepting even some of the eleven points. With Dominion Status, as we have understood the word in its true sense, India would be free to accept or reject any of the eleven points of Gandhiji and if the establishment of Dominion Status was going to be a reality and not a vague promise for a far distant goal, it was difficult for a layman to understand this unresponsiveness on the part of the Government to accept the propriety of Gandhiji's eleven points. The inevitable and logical answer sprang itself upon the people automatically that the British Cabinet was not serious. It was said with good justification that we were sought to be pleased by platitudes. " After all " remarked the man in the street, " it was not the definition of our goal—a goal which we may achieve a century or may be a few centuries,

hereafter that we are hankering for." No sensible man would care to live on such vague hopes—hopes about the realisation of which there was no certainty.

Direct action for achieving the goal was the only remedy suggested by the leaders. The only thing which remained to be decided was its form. Gandhiji started civil disobedience; others, if they do not actively adopt it, most actively sympathise with it. This is the situation today. There is not one leader with a reasonable number of followers today in the country who is opposed to this movement. It may be pertinently asked,—Why do people want to defy the law? Is it a pleasure to get one's head broken or to court jail? The answer is surely in the negative. But there seems to be no other alternative. Government have made it impossible for even the most moderate-minded people to help the former. People have lost faith in the Government. The doubt, which, according to Your Excellency, "existed in India about the sincerity of the British parties" exists even today in an intensified form. The situation has simply gone from bad to worse.

We may assure Your Excellency that we have great regard for Your Excellency's personality. We fully appreciate the efforts made by you to bring about a solution. We realise that you still desire to see the present strife ended, but we would be failing in our duty if we did not say that it is most tragic that events have synchronised with the regime of a noble Viceroy, more befitting the rule of a reactionary ruler. Brutal and barbarous assaults on peaceful men, and even on women, have been perpetrated, which have at several places provoked people to retaliate, following by firing by the Police, thus culminating in huge losses of innocent lives. Rule by law is being replaced by rule by military and Ordinances. The Press is gagged. The noblest children of the country have been cast into prison. Noble, selfless, virtuous men—men that the proudest country in the world would be proud to own—have been incarcerated. Mahatma Gandhi—the apostle of peace—a man fit for reverence, has been put into jail. These things, though most repugnant to Your Excellency, and may be even causing the greatest distress to you, have been perpetrated, most probably by your reluctant assent, all the same with Your

Excellency's consent. What could be greater condemnation of the present system of government than the fact that such a state of affairs should at all exist ? It is no wonder, therefore, if people have become desperate. The situation demands a different remedy. Correct analysis of the situation, greater foresight, and noble courage are the desiderata at the time. Let us put the present position in a nutshell.

The position of the Government is that they still stick to their priginal proposal, *viz.*, of the Round Table Conference and invite people to participate. Nobody knows what is to be the function or the terms of reference of the Round Table Conference. Whether it is going to be a sort of Tribunal where Indian leaders have to state their views without having any hand in the framing of the constitution, or whether it is going to be a body to frame a scheme for the constitution of Dominion Status, which eventually will be put before the Parliament with the approval of the Cabinet, no one knows. Everything is in dark. Yet so much stress is being laid on it and leaders are called upon to participate in it ! And this even at a time when the one man who alone can *deliver the goods* is cast behind the iron bars ! ! On the other hand, there are the eleven points of Gandhiji, on the basis of which he is prepared to offer his co-operation. The ordinary man undoubtedly sees more preciseness and logic in Gandhiji's demand. It is, therefore, desirable to throw greater light on what exactly this Round Table Conference is to be. If it is going to be a body where the question of framing a constitution for the Dominion Status is to be decided, then it should be definitely known as early as possible, so that those who have refused at present to give their co-operation may seriously consider whether it is not worth the country's while to accept the proposal. On the other hand, if it is going to be a mere debating place where the leaders will have no more hand in framing the constitution than stating their case before the representatives of His Majesty's Government for their favourable or unfavourable consideration, then it is equally essential that India should know her position. But, from the mutual point of view that is of India and Great Britain, it seems most desirable that the terms of reference of the Round Table Conference, its function, and attitude of the British Cabinet with

regard to the period within which Dominion Status may be established, should be clearly and unequivocally defined. On our part, we have not the least hesitation in impressing it upon Your Excellency that no Round Table Conference can reach at a satisfactory solution acceptable to the country in which Gandhiji is not present. The position of the Indian Mercantile Community is made clear from the resolutions passed by the Committee of the Federation on the 20th May 1930 to the effect that :—

> "No Conference of the nature of the Round Table Conference convened for the purpose of discussing the problem of Indian constitutional advance can come to a solution of the present political difficulty which will be acceptable to the country, unless such a Conference is attended by Mahatma Gandhi, as a free man or has at least his approval."

The only remedy to deal with the present discontent, therefore, in our opinion, is to make a definite statement on behalf of the Government of India and the British Cabinet inviting Mahatma Gandhi to the Round Table Conference to prepare a constitution for the establishment of Dominion Status, a status of independence enjoyed today by Australia and Canada. We are sure that if such an action is taken the present strife will end and Gandhiji will give his co-operation. If, however, this is not done, the only interpretation which could be put on the past pronouncement would be that there is no real desire on the part of Great Britain to pursue a policy of conciliation; that all talk of establishment of Dominion Status is mere hollow promise or that by Dominion Status the Government mean something different to the status at present enjoyed by Dominions; that the primary object is to bargain for the maximum co-operation of the people with the minimum concession. We think it our duty to tell Your Excellency that if such is the policy of the Government, which we hope it is not, it is entirely wrong and, we assure Your Excellency, it is not going to succeed. In spite of all our domestic troubles, it is the unanimous desire of the people to see Dominion Status, as it is understood in this country, established at as early a date as possible. No sacrifice is counted too great for achieving the goal. People are determined to achieve their object even at the greatest sacrifice, and no peace is possible until the goal is reached.

We would ask Your Excellency to judge the situation calmly and dispassionately. We would ask you not to be misled by the cry of " firm policy " often raised by short-sighted people who are, in our opinion, unintentionally acting as enemies of England and India. Government has already given trial to the so-called firm action, but with no success. An incorrect notion exists in a certain circle that the mere arrest of Gandhiji would subside the present movement. Undoubtedly nobody has got a greater hold over the people, classes and masses than Mahatma Gandhi, but his undisputed hold indicates only one thing, and that is that the people are burning with a passionate desire to obtain political freedom as early as possible, and in him alone, they feel, they can find a man who could lead them to the desired goal. There is no parallel between the movement started in 1921 and the present one. The last movement subsided immediately after Chauri Chaura, but not due to Gandhiji's arrest. Even before his arrest he had cried halt on account of Chauri Chaura affairs. Although he was strongly criticised for his decision by his countrymen, all the same he was implicitly obeyed. This time, the country is much more advanced than it was in 1921. Besides the people have decided to continue the present struggle until an honourable settlement is arrived at. There is, therefore, no likelihood of this movement collapsing. Two courses only are, therefore, left open to the Government, either to rule by sheer force or to follow a policy of conciliation. It may be that the Government can rule the country by force, only temporarily but not with the co-operation and goodwill of the people. This could only lead to the greatest disaster possible. The only alternative which could lead India to her destiny and which alone could benefit both the countries, *i.e.*, Indian and Britain, is a policy of conciliation. Statesmanship demands that Britain should take a courageous step, and we hope that Your Excellency will give a bold lead in the direction of conciliation and end the present strife in consultation with the National leaders to the mutual and permanent benefit of India and Britain.

Letter No. 541, dated 31st May 1930, from the Federation of Indian Chambers of Commerce and Industry to Chamber.

In continuation of my Circular Letter No. F. 522, dated the 24th May 1930, I beg to inform you that the representation addressed

to His Excellency the Viceroy has already been despatched on the 27th May 1930. The President desires me to convey to the Members of the Executive Committee and to the President or Vice-President of the Member-Bodies his sincere thanks for the very expeditious and prompt manner in which the circular letter referred to above was dealt with by them. The Representation to the Viceroy was signed by the following persons :—

President.

Lala Shri Ram.

Vice-President.

Mr. M. Jamal Mahomed Saib.

Members of the Executive Committee.

Sir Purshotamdas Thakurdas, Kt.

Mr. G. D. Birla.

Sir Chunilal V. Mehta, K.C.S.I.

Mr. Lalji Naranji.

„ D. P. Khaitan.

„ Ambalal Sarabhai.

„ Kasturbhai Lalbhai.

„ Chunilal B. Mehta.

„ B. Das.

„ Hooseinbhoy A. Lalji.

„ R. L. Nopany.

„ Nalini Ranjan Sarker.

„ Ranchordas H. Gandhi.

„ R. K. Shanmukham Chetty.

„ Rameswar Prasad Bagla.

And

Mr. Hooseinbhoy A. Lalji, President, Indian Merchants' Chamber, Bombay.

Members of the Executive Committee.—contd.

Mr. M. Jamal Mahomed Saib, President, The Southern India Chamber of Commerce, Madras.

,, D. P. Khaitan, President, Indian Chamber of Commerce, Calcutta.

,, Nalini Ranjan Sarker, Vice-President, Bengal National Chamber of Commerce, Calcutta.

,, Ranchordas H. Gandhi, representing Burma Indian Chamber of Commerce, Rangoon.

,, Chamanlal G. Parekh, President, Ahmedabad Mill-owners' Association, Ahmedabad.

,, Bhagirath Kanoria, President, East India Jute Association, Calcutta.

,, Parbhulal Bhagwandas Parekh, President, Mill-owners' Association, Baroda.

,, Shivpratap Joshi, Vice-President, Marwari Chamber of Commerce, Bombay.

,, Narandas Pokarmal, President, Bombay Bullion Exchange, Bombay.

,, M. Jamal Mahomed Saib, President, Southern India Skin & Hide Merchants' Association, Madras.

,, Bhagirath Kanoria, President, Jute Dealers' Association, Calcutta.

,, K. R. P. Shroff, President, Native Share & Stock Brokers' Association, Bombay.

,, S. C. Ghose, Chairman, Indian Mining Federation, Calcutta.

,, R. Sundaram Iyer, Vice-President, Mysore Chamber of Commerce, Bangalore.

,, Hirachand Vanechand Desai, President, Bombay Shroff Association, Bombay.

Members of the Executive Committee—(contd).

Mr. Jivandass Khimjee, Vice-President, Telikanta Brokers' Association, Calcutta.

„ Ratilal M. Gandhi, President, Seeds Traders Association, Bombay.

„ Bhagirath Kanoria, President, Jute Balers Association, Calcutta.

„ Binjraj Mahansaria, President, Indian Produce Association, Calcutta.

„ Jamshed N. R. Mehta, President, Buyers & Shippers Chamber, Karachi.

„ Jeswantrai Churamani, President, Karachi Indian Merchants' Association, Karachi.

„ Tarini Prasad Roy, Chairman, Indian Tea Planters' Association, Jalpaiguri.

„ K. S. Ramchandra Iyer, President, Indian Insurance Companies Association, Bombay.

Rai Bahadur Ram Ranvijaya Sinha, President, Bihar & Orissa Chamber of Commerce, Patna.

Mr. R. K. Shanmukham Chetty, President, Indian Chamber of Commerce, Coimbatore.

An intimation about the remaining Members of the Committee and the Member-Bodies has not yet been received.

The following is the copy of the reply received from the Private Secretary to His Excellency the Viceroy in reply to the Representation submitted to His Excellency the Viceroy by the Committee of the Federation of Indian Chambers of Commerce and Industry in respect of the present political situation in India :—

" I am desired to acknowledge the receipt of your letter of the 24th May 1930 containing the views of the Indian Chambers of Commerce and Industry which you represent on the present deplorable developments in India. It does not appear

to His Excellency that your letter gives any satisfactory explanation why those persons who seek constitutional advance should have rejected constitutional methods, at the very moment when His Majesty's Government had made plain their intention of trying to reach a solution of these difficult problems by agreement.

It would appear, however, from your letter that those for whom you speak feel some genuine doubts about the purpose of the Conference to which His Majesty's Government has invited the representatives of India. While it is at this stage impossible for His Majesty's Government to prejudice the outcome of that Conference, I am to assure you that its object is to reach the widest measure of general agreement for the proposals which His Majesty's Government will subsequently lay before Parliament. You make an earnest appeal to His Excellency to initiate a policy of conciliation. No one is more anxious than His Excellency to see the re-establishment of normal conditions, and an issue from the present situation which is inevitably doing great damage to India. But the policy which he was able to announce on the 1st November 1929 on behalf of His Majesty's Government was essentially a policy of conciliation. That policy stands unchanged, and it remains matter of great regret to His Excellency that in any quarter there should have been reluctance to take advantage of it."

APPENDIX CX.

DECLARATION OF MARTIAL LAW IN SHOLAPUR.

Telegram, dated 17th May 1930, from Chamber to Private Secretary to H. E. the Viceroy and the Governor of Bombay.

Committee Indian Merchants' Chamber are informed by their colleagues Lalji Naranji and Walchand Hirachand on their return from Sholapur City after meeting Representatives of all interests

and after Lalji Naranji having submitted the result of his meeting with above interests to Mr. Mackie Commissioner and also after reporting to Mr. Mackie that Mr. Grier agreed with him and he went so far as to assure Mr. Lalji that he had represented to Government Officers that if one more day continued quiet as before there would be no justification for handing the City over to the Military authorities. Committee regret that after such unanimous Indian and European opinion about situation in the city that Government should have taken this drastic step. It is reported that eighteen persons have been Court-martialled and tried *in camera* for offences alleged to have been committed during Civil Administration and resulting punishment of some of these trials have not been known as yet. Such trials Committee think are grossly unjust and illegal. Ban on Gandhi cap and insults to Gandhi and Khadi dress are hurting national feelings. It is further reported that excess and attrocities are being committed under the Martial Law regime. Under the terror of Martial Law commercial interests are being scared away and merchants are leaving the City. In view of the above Committee urge Government to withdraw Military regime immediately and without delay and request that offences reported to have been committed be tried in ordinary course of law. Committee emphatically urge that a public enquiry by a Committtee consisting of independent persons presided over by no less a person than a judge of the High Court be appointed immediately to enquire into the whole affair including excesses of the Military regime.

Copy of a D. O. letter, dated 27th May 1930, *from Mr. R. M. Maxwell, Private Secretary to H. E. the Governor of Bombay, to the Secretary, Indian Merchants' Chamber :—*

"I am to acknowledge your telegram of the 17th instant regarding the events at Sholapur, and I am to say that His Excellency hopes that the full communique on the subject which has been published will assist your Committee in forming a correct view of the situation.

His Excellency and his Government have been watching the events at Sholapur most carefully from the commencement

of the disturbances and were fully satisfied that Martial Law was necessary in order to restore peace to the City without further bloodshed. Their expectations have been fulfilled, and it is hoped that it will soon be possible to restore the civil administration of the City with due regard for the safety of the public.

His Excellency has throughout been kept in close touch with the conduct of affairs under Martial Law, and I am to assure your Chamber that it is being administered with moderation and the minimum of inconvenience to the public.

In the meanwhile His Excellency hopes that your Chamber will not prejudice any matters connected with the origin of the disturbances until the further investigations which are now in progress are completed.

Letter No. 1183, dated 6th June 1930, from Chamber to Private Secretary to H. E. Governor of Bombay.

Your letter of the 27th May was considered by the Committee of my Chamber at their meeting held on the 4th instant. They are unable to agree to what you say regarding His Excellency being in close touch with the happenings at Sholapur, as they feel, judging from what is stated in Government press notes, that His Excellency is not correctly informed of the actual state of affairs.

My Committee beg to urge on His Excellency the desirability of immediately withdrawing Martial Law from Sholapur and restoring the civil administration of the City. Martial Law has been in force for more than three weeks and my Committee hope that His Excellency would be pleased to restore the City to the civil administration without any further delay.

My Committee beg to reiterate their suggestion that a public enquiry by a Committee consisting of independent persons presided over by no less a person than a Judge of the High Court be forthwith instituted to enquire into the whole affair, including the happenings during the military regime.

APPENDIX CXI.

SHOLAPUR CONVICTS—APPEAL FOR CLEMENCY.

Copy of a Letter, dated 10th December 1930, from Mr. Hooseinbhoy A. Laljee, President, Indian Merchants' Chamber, to the Private Secretary to His Excellency the Governor of Bombay.

The Committee of the Indian Merchants' Chamber have passed a resolution that a deputation consisting of some members of the Committee and the Chamber should wait on His Excellency the Governor in connection with the death sentence passed on four citizens of Sholapur during the last Sholapur disturbances. The deputation will be led by me and will consist of the following gentlemen :—

Mr. Behram N. Karanjia (*Vice-President*).
Sir Purshotamdas Thakurdas, Kt., C.I.E., M.B.E.
Sir Ibrahim Rahimtoolla, K.C.S.I., C.I.E.
Sir Byramjee Jeejeebhoy, Kt.
The Hon'ble Sirdar Suleman Cassum Mitha, C.I.E.
Mr. Lalji Naranji.
Mr. Walchand Hirachand.
Mr. L. R. Tairsee.
Mr. A. M. Kajiji, Bar.-at-Law.
Mr. N. M. Muzumdar, Bar.-at-Law.
Mr. J. K. Mehta (*Secretary*).

My Committee will be deeply obliged if His Excellency will be pleased to see this deputation and to fix an early appointment when they can wait upon him.

Copy of D. O. letter, dated 13th December 1930, from the Private Secretary to His Excellency the Governor of Bombay to Mr. Hooseinbhoy A. Laljee, President, Indian Merchants' Chamber.

I am to acknowledge receipt of your application requesting that His Excellency should receive a deputation of the gentlemen mentioned in your letter on the subject of the Sholapur murder case, and to say that, as His Excellency has already given his final decision in this matter, he does not consider that anything will be gained by receiving such a deputation.

Copy of a Letter, dated 15th December 1930, from the President, Indian Merchants' Chamber, Bombay, to the Private Secretary to His Excellency the Governor of Bombay.

I have received your letter of the 13th instant, and thank you for the same. My Committee are extremely disappointed at His Excellency's inability to receive such an influential deputation as was referred to in my letter of the 10th instant. My Committee have now learnt from unofficial sources that the four Sholapur convicts have already received notice that they will be hanged in a few days. Looking to this and the deep feeling prevailing everywhere, I have sent a telegram to His Excellency the Viceroy appealing to him to exercise the Royal prerogative of mercy in favour of these four unfortunate people. A copy of this telegram is enclosed herewith, which you will kindly place before His Excellency the Governor. Even now I cannot help wishing that His Excellency had received the deputation from my Committee as they would have been thereby given an opportunity of placing before His Excellency the feelings and sentiments of the public and personally appealing to him for these Sholapur convicts.

The following telegram has been addressed by Mr. Hooseinbhoy A. Laljee, President, Indian Merchants' Chamber, on the 13th December to the Private Secretary to His Excellency the Viceroy :—

Committee Indian Merchants' Chamber requested His Excellency Governor of Bombay last Wednesday, tenth instant, to receive Deputation from Chamber requesting His Excellency to entertain appeal for mercy by four Sholapur convicts condemned to be hanged. His Excellency Governor's reply of date says he cannot receive Deputation as he has already given his final decision in this matter. If this decision is rejection of appeal Committee of Chamber desire me to approach His Excellency the Viceroy with earnest prayer that Sholapur convicts appeal for mercy be accepted and sentence be commuted to one of imprisonment. Three of these convicts including one Mahomedan are reputable merchants of Sholapur. Committee feel that unless the appeal for mercy of all four is granted in virtue of the prerogative of Royal mercy vested in His Excellency Viceroy Indian public as a whole and Indian commercial public in

particular will regard Government policy as definitely repressive. It cannot be to Government interest to create such an impression on public at any juncture. Committee submit it is absolutely necessary to avoid such an impression particularly at this juncture. If permitted by His Excellency Committee will depute a few members to wait on His Excellency to explain personally gravity of the step in hanging Sholapur convicts. Kindly submit this telegram to His Excellency.—HOOSEINBHOY LALJEE, President.

The following, telegram, dated 15th December 1930, *has been addressed to the Private Secretary to His Excellency the Viceroy by the President of the Indian Merchants' Chamber :—*

" In continuation of my telegram of 13th instant, I give below names of members which were sent to His Excellency Governor as members of Deputation of the Indian Merchants' Chamber :—

Mr. Hooseinbhoy A. Laljee, *President.*
Mr. Behram N. Karanjia, *Vice-President.*
Sir Purshotamdas Thakurdas.
Sir Ibrahim Rahimtoola.
Sir Byramjee Jeejeebhoy.
Hon'ble Sirdar Suleman Cassum Mitha.
Mr. Lalji Naranji.
Mr. Walchand Hirachand.
Mr. L. R. Tairsee.
Mr. A. M. Kajiji.
Mr. N. M. Muzumdar
and
Mr. J. K. Mehta (*Secretary.*)

Letter No. 859-C, dated 17th December 1930, from the Private Secretary to H. E. the Viceroy to Chamber.

I am to acknowledge your telegram of 13th December to which His Excellency is giving his careful consideration.

Letter No. 3965, dated 17th December 1930, from Chamber to Government of Bombay, Home Department.

With reference to the correspondence ending with the letter from the President of this Chamber to the Private Secretary to His Excellency the Governor and his acknowledgment thereto, I am directed by the Committee of this Chamber to write to you this letter.

My Committee are informed that the four Sholapur convicts have sent a petition to the Government of Bombay for being granted permission to send a petition for mercy to His Imperial Majesty the King Emperor. As, according to the information of my Committee, such a permission from the local Government is essential, they beg to request the Government of Bombay to be pleased to accord such a permission to these convicts so that these unfortunate people may have their last chance for getting their sentence commuted. My Committee beg also to suggest that the execution of their death sentence should be stayed till the result of this petition to His Imperial Majesty the King-Emperor is known.

APPENDIX CXII.

PRESS ORDINANCE AND POLITICAL SITUATION.

Telegram, dated 3rd May 1930, from Chamber to Government of India, Home Department.

PRESS NOTE.

The following telegram has been addressed by the Committee of the Indian Merchants' Chamber, Bombay, on the 3rd May 1930, *to the Government of India, Home Department,* re: *Press Act Ordinance :—*

" Committee Indian Merchants' Chamber have noted the reasons for issue of Ordinance by His Excellency the Viceroy reviving Press Act. The very fact that His Excellency found it necessary to make such a serious invasion of the fundamental rights of citizenship by exercise of the Viceroy's Extraordinary powers of issuing an Ordinance is even according to

Government a significant symptom of the condition to which the country is being reduced as a result of the present state of affairs. The danger of abuse of powers vested in Local Governments and officers by the Ordinance is grave and cannot be exaggerated. The stoppage of dissemination of news on which trade, commerce and industries and even ordinary daily routine life depend can lead to nothing less than steady but sure impediment to movement of commodities required by areas where there may be restlessness. When news is denied in ordinary course wild rumours take its place and are most dangerous and unreliable substitute. The result of this will be perceived within a few weeks and Committee wish to draw the attention of Government particularly to this danger at this stage. Committee protest against the issue of the Ordinance and request Government of India not to resort to repressive expedients which can lead nowhere but to meet the situation with a statesmanlike and effective solution."

Letter No. D. 2384, dated 5th May 1930, from Government of India to Chamber.

I am directed to acknowledge the receipt of your telegram of 3rd May regarding the issue of the Press Ordinance. Your Committee naturally lays stress on the effects of the stoppage of news, both on trade and industry and on the ordinary life of the people. I am, however, to point out that the Ordinance is in no way directed against the dissemination of news, and that so far as the Government is concerned there is no reason why it should operate to restrict news. The Ordinance as was made plain in the statement by His Excellency the Governor-General which accompanied it, is directed against those writings in the press which incite openly to violent and revolutionary action, or which are encouraging a spirit of lawlessness throughout the country. Such writings, the Government of India are confident you will agree, can but have a pernicious influence on trade and industry and the daily life of the people. It is true that a number of newspapers, as a protest against the issue of the Press Ordinance, have resolved voluntarily, and not in consequence of any action taken against them under the Ordinance to suspend publication and thereby to deprive the public, so far as they are able, of news which it requires. For

that result the Government cannot hold themselves responsible, and they trust that before long it will be realised by those concerned, that the form their protest has taken is unwise. Meantime, I am to assure you once more that the Press Ordinance in itself will not operate to check the dissemination of news, and that in the words of His Excellency the Governor General " the measure is not designed to restrict the just liberties of the Press or to check fair criticism of the administration."

As your committee recognise the action which has reluctantly been taken is, in the words of your telegram, a " symptom of the condition to which the country is being reduced as a result of the present state of affairs." I am to remind you how that state of affairs has been produced and how it can be terminated. The Congress leaders have rejected the offer of His Majesty's Government to examine in free consultation with Indian leaders how the difficulties which stand in the way of India's constitutional advance may best, most rapidly and most surely be surmounted, and in place of examining these problems by the method of reason have chosen to organise a widespread movement of disobedience to the law. The policy of the Government of India in regard to the solution of India's difficulties remains unchanged, but they look to the support of the stable elements in the country in such steps as they find it necessary to take in resisting these subversive and dangerous activities that have been initiated.

Letter No. 961, dated 10th May 1930, from Chamber to Government of Indian.

I am directed to acknowledge receipt of your letter No. D. 2384, dated the 5th May 1930.

2. My Committee note that Government have appreciated the gravity of the situation so far at least to have replied to their telegram by return post. Their reply, however, leaves much to be desired on the score of recognising fully the real nature of the situation and its gravity. I am, therefore, directed by the Committee to address you further as follows.

3. My Committee have noted what you state in your letter regarding the motives of His Excellency the Viceroy in issuing the

Press Ordinance. They, however, feel it their duty to point out that the actual administration of the Ordinance is very far from being in keeping with that motive as explained in the statement accompanying the Ordinance.

In several parts of the country according to the information available to my Committee, the Indian papers have actually had to stop publication, with the result that the distribution and circulation of news is left to the Anglo-Indian Press in these areas. The antipathy, with very few exceptions, of the Anglo-Indian Press to Indian political aspirations cannot make that Press a reliable channel for news important at this moment in the eyes of the Indian public. My Committee, therefore, wonder if Government realise that they have in this manner quite unnecessarily added one more to the several handicaps on Indian people in following the trend of events from day to day.

4. My Committee would point out that the motive of His Excellency the Viceroy explained in the Note accompanying the Ordinance is not embodied in the letter of the Ordinance nor is action taken in accord with it. In several cases the procedure prescribed in the Ordinance has either not been complied with in its true spirit, or has been abused. In this connection my Committee beg to point out that if the purport of the Ordinance is not to prevent dissemination of *bona fide* news of actual happenings in the country, but to restrain writings which have a tendency to promote violence or revolutionary action or to encourage the spirit of law-breaking, neither the provisions of the Ordinance nor the manner in which it has been administered support this view. Local officials in Delhi, Calcutta and Lahore, it is reported, have acted under the Press Ordinance in a wholesale and indiscriminate manner calling upon various papers to furnish heavy securities. In Delhi, on the morrow of the Ordinance, it is understood, securities aggregating to Rs. 50,000 were demanded from the Indian press there, a demand directly disabling and crippling this section of the press there. Such action does appear vindictive on the face of it, and has earned the condemnation of the public.

5. In this connection, my Committee would like to remind Government of the criticism on the old Press Act passed by the

Chief Justices of Madras and Calcutta. The Chief Justice of Madras said:

> "Staunch loyalty, irreproachable general policy, sincerity and *bona fides* of intention are useless to protect the journalist who incidently slips into any sort of honest expression who may be brought within the completely comprehensive purview of Section IV."

The Chief Justice of Calcutta said:

> "It is difficult to see to what length the operation of Section IV might not plausibly be extended to by an ingenious mind. They would certainly extend to the writings that might even commend approval."

The above expressions of opinion by high judicial authorities should suffice to convince Government of the dangers inherent in the present Ordinance, specially in the atmosphere now prevailing. My Committee would, therefore, impress on Government that the ordinary Law affords ample provision for Government to take action against papers inciting violence. In view of the abuse of the Ordnance in actual administration my Committee would urge upon Government the wisdom and necessity of withdrawing the same.

6. With regard to the voluntary cessation of newspapers referred to in your letter, my Committee would like to ask if there is any cause for surprise in members of a self-respecting press resolving to suspend publication as a protest against the tyranny of Government and in sympathy with their contemporaries who have been treated shabbily even according to the letter of the Ordinance and the motives of His Excellency the Viceroy? It seems, to my Committee, as if in the places referred to above local officials have run amok and proved themselves incapable of using wisely the extraordinary powers with which they have been armed by His Excellency the Viceroy.

7. In your letter you agree that Government recognise that the Press Ordinance is a symptom of the condition to which the country has been reduced as the result of the present state of

affairs. You further attempt in your letter to analyse the origin of the present agitation as Government conceive it and you have quoted the assurance of His Excellency the Viceroy in this connection. The Right Hon'ble the Secretary of State for India has repeated the same assurance on several occasions in the House of Commons. My Committee can well understand nothing more being said in the House of Commons, in the present political atmosphere in the United Kingdom. They feel however that mere repetition of this assurance in India at present can carry but little weight and stands in danger of being treated as a mere platitude. In what light responsible Indian opinion regards the present situation will be best judged by Government, if they chose to do so, from the speech of the President of this Chamber at the last Quarterly General Meeting (appended herewith) wherein he has pointed out what Government should do if they wished at all to conciliate public opinion. The necessity of a declaration by His Excellency the Viceroy that Indians will be masters in the home as indicated in that speech is overdue at this stage.

8. Unfortunately, however, Government's object at the moment seems to be to continue at all costs the political domination of Great Britain in India accompanied, as it has been, by economic exploitation. Mahatma Gandhi in his first letter to His Excellency the Viceroy, asked for a gesture that this exploitation should cease. Constitutional change is merely a means, but the main issue is whether Indians will hereafter be masters in their own country, and whether the economic policy of this country will be controlled by them, or will be interfered with or influenced by vested interests from abroad.

9. If, however, on this issue the large body of Indian people is not assured, it does not appear that the present agitation and discontent would be abated. My Committee cannot help noticing in the activities which have been regarded by officials as "subversive and dangerous," the manifestation of noble self-sacrifice and as high a motive as patriots in any country have ever shown. In the interests of Government themselves, it would be wise to recognise that the movement is not confined to a few, or the fringe of the population as the European element in this country seek to make out. It has permeated the masses and would not slaken unless

methods other than repression are adopted. Repression is bad at all times, even by a National Government. At the hands of a foreign Government, even when such Government are satisfied as to its necessity, repression can only aggravate anxiety and increase disaffection. It would do so more by exceeding the bounds. It would do so exasperatingly by a distorted perspective and by excesses, whether by over-zealous officials or by misguided public. Unalloyed repression which has lately been adopted by Government is increasing the doubt and mistrust in the minds of the Indian people about the *bona fides* of Government. Is it expected that a few bullets, or a few *lathi* charges, will get rid of this doubt and suspicion? My Committee take it that the letter recently addressed by the President of the Indian Chamber of Commerce of Calcutta to the Private Secretary to His Excellency the Governor of Bengal has been seen by Government. The President states that the Police in Calcutta have been abusing their powers and indulging in excesses of an abnormal character. Those who show meticulous anxiety for the maintenance of Law and Order, ought themselves to be above lawlessness on the part of their own agents. My Committee cannot help thinking that they are rendering a service to Government in telling them frankly of the situation, which Government would have learnt for themselves, had they not curbed arbitrarily the freedom of the Press. What programme the Government of India have set out for themselves, my Committee are not aware, but they cannot help feeling that a very difficult situation is being handled without adequate appreciation of consequences. If nothing is done in time, Government by Ordinance and executive decrees may become inevitable, which would be the greatest calamity for the country as well as Government.

10. Government found it necessary for the arrest of Mahatma Gandhi to resort to a Regulation passed 103 years ago, a Regulation which military authorities might require for a country in their occupation at a period that is abnormal, but which after the claim that India had been settled and set firmly on the path of constitutional Government by continuous peace for several scores of years, would appear as the strongest condemnation of Government constituted at present. That Government should have been obliged to arrest in this manner one whose *bona fides* and whose unswerving attachment to non-violence under all conditions is an event, the

significance of which should not be lost on Government. Can it be said that Government have learnt nothing in the last 103 years, and that the much-vaunted Reforms and the political progress of which from the highest authority downwards everybody has said so much, are a camouflage? My Committee have frequently pointed out the hopeless inadequacy of the Constitution under which India is being governed, and feel that it is useless to make a protest against this arrest to the present Government. But they would like to sound a note of warning that while the Mahatma may be behind iron bars, the Gandhi-spirit has come to stay. That spirit cannot be dealt with by repression but only by conciliation, and that too in good time. Is the statesmanship of England so bankrupt that it cannot evolve a satisfactory settlement with a people, whose demands have not been immoderate in the past, and of whose response to any *bona fide* offer even now there should not be much doubt?

11. In your letter you say that Government look to the support of this Chamber and other bodies representing "stable" interests. No one appreciates more than a body of Indian businessmen, the importance of the maintenance of Law and Order. But it seems that these words do not convey the same meaning to the mind of the vast majority of these businessmen as the meaning which is sought to be attached to them by Government. A leading and prominent Counsel of Bombay recently declared that there was no warrant under the Salt Act for the attacks and outrages which have been committed by Government officials on volunteers and others. I am to point out that recent events have given a shock to those sections who have hitherto supported Government in the interests of public peace. If Government do not desire to continue to inflict further hardships on the people of India, it is imperative for them to learn the exact situation and the real feelings about it from representatives of these stables Indian interests. My Committee are aware of the various pre-occupations of His Excellency, but they respectfully urge the necessity of His Excellency summoning the representatives of these interests so that such representatives may be able to frankly lay before His Excellency the situation as they visualise it, and have an opportunity to learn from him how the British Cabinet view the present

situation and how they propose to deal with it. At such a Conference these representatives will have an opportunity to acquaint His Excellency how the Indian commercial community desire the present situation to be handled. If such a Conference is summoned, it is suggested that it should be convened immediately and without delay. Should His Excellency, however, not be able to accept this suggestion, my Committee request that he will at least be kind enough to receive a deputation representing this Chamber and Allied Indian commercial organisation in the City of Bombay.

12. In conclusion, my Committee would earnestly impress upon Government that recent events have shaken the confidence of the Indian commercial community in Government. They are anxious that this unhappy tendency should not increase. This Chamber has had perforce to be the silent onlooker of the developments in the last few weeks, but they cannot possibly continue to be so any longer. It is trite to speak of the present condition of trade, commerce and industry in India as being depressed, but my Committee shudder to think what is going to happen if Government fail to meet the present conditions in a statesmanlike spirit. They are definitely and strongly opposed to a policy of repression dictated by panic. It is in order to get light from authoritative sources before deciding their own policy as to the future that my Committee have made the suggestion referred to in para 11 above, and they will be grateful for a reply by telegram as to which of these suggestions meets with His Excellency the Viceroy's convenience.

Telegram, dated 22nd May 1930, from the Government of India to Chamber.

Your Letter No. 961 of 10th May position of Government of India is set forth in statement of Viceroy of 12th May which shows that policy of conciliation announced last November still stands but that attempted subversion of constituted authority through Civil Disobedience movement must be met His Excellency will be glad as you suggest to receive a Deputation from Chamber and Allied Indian commercial organisations in the City of Bombay for the purpose of hearing any representations they may desire to make and explaining to them

fully the policy of his government please telegraph private Secretary Viceroy regarding date Home Department.

Telegram, dated 6th June 1930, from Chamber to Private Secretary to H. E. the Viceroy.

Reference Home Department telegram dated 22nd ultimo Committee Indian Merchants' Chamber thank His Excellency the Viceroy for his consent to receive deputation. Committee regret delay in replying. In view however of certain pronouncements in and outside Parliament and His Excellency's declaration that his lips are sealed and in view of the considerable aggravation of situation which has taken place since the Committee's letter dated 10th ultimo to Home Department Committee do not desire to trouble His Excellency with a deputation at present. Committee however think it necessary to express their conviction that the developments in the country since 10th May last are seriously undermining the economic fabric of the country and they urge Government to give due consideration to the respectful warnings they have repeatedly given and revise their policy with a view to allay the widespread discontent which is prevalent throughout the country. In these altered circumstances Committee venture to submit that a Conference as that sugggested in their letter of the 10th May would probably be more advisable and helpful.

APPENDIX CXIII.

UNLAWFUL ASSOCIATION ORDINANCE AND LATHI CHARGES IN BOMBAY ON 26th OCTOBER.

Telegram, dated 30th October 1930, from Chamber to Private Secretary to H. E. the Viceroy.

Committee Indian Merchants' Chamber would have recorded their protest against the promulgation of the Ninth Ordinance by His Excellency the Viceroy as soon as it was issued. They delayed their protest however to watch and examine the method and manner in which it was put into effect by the Executive. Their experience of the last few days justifies their original fears which

are shared by the public in general that the Ninth Ordinance has put in the hands of the Executive an instrument for reckless and ruthless repression. Committee in common with general opinion throughout the country have always favoured fighting the forces of disorders and lawlessness by the machinery of ordinary Law of the land which is sufficient, in their opinion, to cope with the needs of the situation. The weekly reviews of the Government of India opined that the Civil Disobedience movement was on the wane and if so Committee feel that the time for promulgating the last Ordinance was not well selected. Indeed, instead of soothing the ruffled feelings of the people, it introduced a greater resistance. It is never a statesmanlike policy for breaches of law and order being met by Government discarding the ordinary Law and substituting for it a regime of Ordinances. Committee submit that the series of Ordinances promulgated by His Excellency the Viceroy have had little effect on the general situation which can be eased only by conciliatory statesmanship. The latest Ordinance, it is gravely apprehended, has disturbed the political atmosphere to a very large extent. The Ordinance has been interpreted by the Executive to include organisations which were not even political and the latest Lathi charge in Bombay on Sunday last and mode of its application in case of ladies was but an effect of this interpretation. Committee beg therefore to request His Excellency to be pleased, even in the interests of a speedy restoration of such conditions of order and tranquillity which he has so much at heart, to rescind the Ninth Ordinance as also all the previous Ordinances—HOOSEINBHOY LALJEE, *President.*

D. O. No. 12266-G. M., dated 7th November 1930, from Private Secretary to H. E. Viceroy to Chamber.

His Excellency desires me to acknowledge with thanks your telegram of 30th October.

No. 3446, dated 30th October 1930, from Chamber to Government of Bombay, Home Department.

I am directed by the Committee of this Chamber to bring to the attention of the Government of Bombay the scenes which were witnessed last Sunday. So far as the information of my

Committee goes, the function which was announced to be held on the Maidan, *i.e.*, the ceremony of flag salutation, is not banned, and might well have been allowed to be held without any interference. Unfortunately this was not to be, and the result was that there were three hundred people injured owing to the repeated lathi charges. Taking, however, the facts as they were, my Committee recognise that the flag salutation ceremony was banned rightly or wrongly. The Police could have arrested the leaders, as also such people who broke their regulations. The Government of Bombay have issued some regulations for the dispersal of such gatherings or processions and they themselves have laid down that minimum force should be used on such occasions. Some arrests were made, but at the same time lathi charges, which have been considered by the on-lookers as being much more severe than on any other previous occasion, took place. In a majority of cases of people who have been injured, blows appear to have been given to the heads, which amounts to crippling the injured perhaps for life or in case of severe blows a very painful death after some time. My Committee feel it their duty to bring to the attention of Government the great public feeling and bitterness on this question. What has added to the bitterness and public resentment is the very sad and most regrettable incident which took place on that morning. This was the taking away of more than a dozen lady volunteers to a jungle and leaving them unprotected and exposed to all dangers. This step has neither moral nor legal sanction behind it; and my Committee fail to comprehend that orders for it could have been issued by any responsible official. Those lady volunteers, if they had been found offending against the Police regulations, might have been arrested and sent to the lock-up as other lady volunteers were. Instead of this, however, some official or officials thought it fit to adopt a course, which is almost unprecedented and which would be condemned by public opinion in any country. It was a grave insult to Indian womanhood. My Committee will be much obliged, therefore, if the Government of Bombay will be pleased to issue, at once, a Press Note explaining under what circumstances this incident took place, and who was responsible for the same, and trust that proper steps will be taken against those who were responsible for it.

My Committee have addressed a telegram to His Excellency the Viceroy regarding the effect of the Ninth Ordinance, a copy of which is enclosed herewith for your information. What is required is at present a calm and peaceful atmosphere, and incidents like those to which my Committee have drawn attention in this communication are most likely to retard the advent of any peaceful atmosphere and will increase the strained relations between Government and the people.

While my Committee are of opinion that the machinery of ordinary law should be put into effect against those who are found guilty of disturbing public peace, they cannot help regretting that the guardians of Law and Order should be found to descend to the level of breaking them.

My Committee also trust that a thorough inquiry will be made into the allegation of three ladies regarding an incident when they were in the lock-up and that a statement will be issued on the matter.

APPENDIX CXIV.

PROHIBITION OF THE USE OF ESPLANADE MAIDAN FOR DRILLS, ETC.

Letter, dated 4th July 1930, from Chamber to Government of Bombay, Home Department.

I am directed by my Committee to refer to the order, dated 20th June 1930, under Section 144, C. P. C., issued by the Chief Presidency Magistrate, Bombay, putting a ban on the use of the Esplanade Maidan for drilling, exercise, etc., by the Volunteers of the Bombay Provincial Congress Committee and other men, the reason assigned being that it would annoy the Indian Infantry Regiment who were encamped in proximity to the Maidan and provoke a breach of the peace. The Government cannot be unaware that the Esplanade Maidan has been available for use uninterrupted and the public have thus a right to the use of the same. Under the circumstances, my Committee think the ban is an interference with the right of the citizens.

The reason assigned for the ban, *viz.*, that it would annoy the Indian infantry encamped close by and by whom the Maidan is used for the purposes of drill, etc., is unconvincing, when nothing in the past justifies an interference that it is likely to lead to annoyance and provoke a breach of peace. My Committee may be allowed to point out that the Infantry being a disciplined body under the command of Military officers might at least be expected not to be excited at the appearance of the public using the Maidan.

My Committee would bring to the attention of Government the report of what happened at the Maidan following the above ban.

My Committee have seen the communique issued by the Director of Information, Bombay, dated 24th June, and regret to have to point out that they are not satisfied with the explanation given there of what happened on the 21st June, justifying the use of force on that occasion. They would point in support of their conviction the reports in most of the public papers and the resolution adopted by Public bodies in that respect, and they would therefore suggest that Government should make further inquiries and take action against those concerned for the manner in which force was used on that occasion so as to ensure that such dastardly outrages are not repeated in the name of Law and Order, actions which hardly respect the spirit of Law and Order and which is bound to further embitter the already strained feelings.

The public resented the ban and my Committee urge that Government would be pleased to restore to the public the unfettered use of the Maidan as heretofore.

APPENDIX CXV.

CLASSIFICATION OF PRISONERS.

Letter No. 3849, dated 5th December 1930, from Chamber to Government of Bombay, Home Department.

"I am directed by the Committee of this Chamber to address you in connection with the manner in which the rules regarding

the classification of prisoners are interpreted by the classifying authorities.

These rules are based upon the principles laid down by the Government of India in their communique dated 19th February 1930. The Government of India themselves emphasised that interpretation of the existing rules should be in a liberal spirit so that such an interpretation with the modifications proposed and the provision of better and cellular accommodation would effect improvements in the direction which the Government Enquiry had indicated as desirable. The rules or instructions as they were called which the Government of Bombay issued follow closely on the lines laid down by the Government of India with some differences here and there. Thus, for instance, with regard to Class-A, it is restricted in the Government of Bombay rules to include " only a limited number of exceptional cases," a restriction which was not found in the Government of India rules. My Committee do not consider that this is a proper and convenient time for going into the details of these rules which have been put into operation since the last few months. Even as the rules stand, however, my Committee have watched with regret that they are more followed in their breach than in the observance thereof. Several people who " by reason of their education, occupation and superior mode of living " and also because of " high social status," deserve to be placed in the A-Class, have been placed in B-Class, and some also in C-Class. Many who deserve to be placed in B-Class are placed in C-Class. If any rules are drafted by Government or any instructions issued, they are, my Committee presume, meant to be followed. It cannot be argued, as my Committee have seen being done, that political prisoners have chosen to go to jail and must not, therefore, expect any discrimination in their favour. So far as the rules are there, they have neither discrimination for nor against political prisoners as such, though the rules were apparently made for the relief of the political prisoners. In fact, though the whole Enquiry which ultimately led to the drafting of all these rules originated in the question of treatment of political prisoners in jails, there was no mention whatsoever of political prisoners when the actual rules were made. My Committee will take up this question at some other time but, for the present, would like to state that the rules as they are drafted must be adhered to till they are not

abrogated. If persons in leading and responsible positions of life and enjoying a high social status are to be placed in B-Class and if persons eligible for B-Class are to be placed in C-Class at the sweet will of the Magistrates and even the Magistrates' decisions are to be reversed in many cases and persons originally placed in a higher class are to be later on transferred to a lower class or the lowest class without any reason, there is no meaning in the rules and the authorities administering Law and Order may be said to be violating this Law and Order themselves. While this is the case with Indian political prisoners, my Committee are informed that European prisoners convicted of offences involving moral turpitude are accorded A-Class treatment.

Under the circumstances, my Committee urge that proper observance of these rules should be enjoined by Government on all the Executive authorities.

Letter No. 6039/2-V (b), dated 30th December 1930, from Government of Bombay to Chamber.

Subject:—*Prisoners, rules regarding the classification of—*

In reply to your letter No. 3849, dated the 5th December 1930, on the subject of the Rules regarding the classification of prisoners, I am directed to state that the Committee of the Merchants' Chamber is mistaken in supposing that the rules framed by Government in this connection are not being observed in practice.

APPENDIX CXVI.

VINDICTIVE PUNISHMENT FOR POLITICAL PRISONERS

No. 823, dated 16th April 1930, from Chamber to Government of Bombay, Home Department.

The attention of the Committee of this Chamber has been drawn to the sentence of two years' rigorous imprisonment inflicted upon Sheth Jamnalal Bajaj, sometime a member of this Chamber and a leading and respected member of the commercial community, and other public workers like Darbar Gopaldas Desai, Mr. Gokuldas Talati, Dr. Chandulal Desai, Mr. Amritlal D. Seth, etc., for alleged

offences which involved no moral turpitude and for which the alleged offenders put up no defence. My Committee record their conviction that the infliction of such disproportionately heavy punishment of such offenders is calculated to engender the belief that the authorities inflicting such sentences are pursuing a policy not of even-handed justice.

People with a high social position and with a record of public service behind them like Darbar Gopaldas and Mr. Gokuldas Talati were handcuffed and shaved and treated as ordinary convicts. There were recently very large improvements made in the Jail Rules and the Provincial Governments and the Government of India accepted those rules. Under these Jail Rules all the gentlemen recently sentenced should be put under the "A" Class. My Committee strongly urge on Government that these new Jail Rules should be put into effect at once and specially with regard to all the political prisoners. If Governments, both provincial and central, have accepted these new rules and if some of the Provincial Governments have already publicly asked their Officers to put these Rules into effect, there is no meaning in a separate procedure being followed in this Presidency. My Committee also trust that the offensive treatment like handcuffing and parading through public streets will not be meted out to persons whose creed is that of thorough non-violence. Such a treatment again goes directly counter both to the letter and spirit of the Jail Rules referred to above. My Committee also hope that men who offend against the Salt Act will be dealt with under that Act and that provisions from the Indian Penal Code will not be brought into service to enhance sentence which would have been dealt out in the ordinary course under the Salt Act, so as to make the sentences inflicted to be more in accordance with the requirements of justice. My Committee, representing the commercial community of the country, have felt it their duty to draw the attention of Government to these grievances as they view with grave apprehension results of Government policy both as regards the sentences and the treatment meted out to what are obviously political prisoners with their creed of non-violence.

APPENDIX CXVII.

VISAPUR JAIL FOR POLITICAL PRISONERS.

Letter No. 2117, dated 4th July 1930, from Chamber to Government of Bombay, Home Department.

The attention of my Committee has been drawn to a Report that about 70 prisoners from the Worli prison were transferred yesterday to the Visapur Jail. If this information is correct my Committee would like to know the reason for selecting Visapur Jail, as it has in the past by association a reputation of which people shudder to think. The Government will remember that an enquiry was held into the allegations then made against Visapur and the Indian commercial community is most distressed that this jail should have been selected for putting in Satyagrahi prisoners.

My Committee would like to know, if it is a fact Government have decided to use the Visapur Jail and if so, what arrangements have been made for the health of and proper supply of food for the prisoners and as regards their treatment.

My Committee cannot but lay a great stress on the fact that a large number of Satyagrahi prisoners are of A Class accustomed to live in healthy surroundings and therefore much more care is needed to protect their health.

Letter No. T. 48, dated 16th July 1930, from Government of Bombay to Chamber.

I am directed to acknowledge receipt of your Letter No. 2117, dated the 4th July 1930, regarding the Visapur Jail, and in reply to state as follows :—

> The Old Visapur Jail was selected as a place for a temporary additional jail because there already existed three buildings which could, with small repairs and adaptations, be converted into a temporary prison within the period of time which the occasion demanded. I am to add that arrangements have been made by which, as regards their health and food and in other respects, the prisoners will receive the same treatment as in an ordinary jail.

APPENDIX CXVIII.

POLICE EXCESSES AT VIRAMGAM, ETC.

Letter No. 838, dated 24th April 1930, from Chamber to Government of Bombay, Home Department.

The attentiou of the Committee of this Chamber has been drawn to the allegations recently made in some quarters that the Police have committed excesses while dealing with volunteers at Dholera, Viramgam, etc., and also while dealing with a public crowd at the Congress House, before the Girgaum Police Court, at Mandvi and at Bhatia Baug. Some responsible members of the Chamber have supported these latter allegations regarding Bombay. The Committee cannot but feel that it is highly desirable and essential for the sake of the good name of Government that a full and free enquiry should be made into these allegations immediately and the real truth be sifted out. They, therefore, beg to urge upon Government that, in view of these allegations publicly made as to the excess committed by the Police in dealing with recent cases and in view particularly of the statements made by responsible members of the Chamber to them, a public enquiry into these allegations may be instituted as soon as possible.

My Committee hope that Government will be pleased to accept this their suggestion which is made in the cause of Peace and good Order.

Letter No. S. D. 1185, dated 28th April 1930, from Government of Bombay to Chamber.

I am directed to acknowledge the receipt of your letter No. 838, dated the 24th April 1930, and to state that it will be placed before Government for consideration.

Press Note, dated 8th May 1930, issued by the Director of Information, Bombay.

THE TRUTH ABOUT 'POLICE EXCESSES.'

Of late there have appeared in a section of the Press many stories making startling allegations against the Police and Salt Officials notably at Dholera, Viramgam and Patdi. While these

allegations have obviously been composed with the set purpose of serving as anti-Government propaganda and of embarrassing the Police in the performance of their difficult duties, some of them are so serious that Government have instituted strict inquiries into the conduct of their officers on the occasions in question. These inquiries show beyond all doubt that the Police and the officers of the Salt Department have throughout shown great patience and forbearance in the face of grave provocation.

DHOLERA.

Until the 13th April there were no allegations of cruelty or ill-treatment of volunteers by the Police or Salt Officials at Dholera, although seizure of illicit salt has been going on since the commencement of the salt campaign. Complaints against the Police began with the advent of batches of volunteers from Ahmedabad on the 13th April. On the morning of 14th April it is alleged that a volunteer named Ambalal Chotalal was brutally ill-treated and that his testicles were injured by the Police. Enquiry shows that this boy was carrying contraband salt wrapped up in a cloth. He was detained by Mr. Neale, the Salt Inspector, and asked to give up his salt. He refused and two salt sepoys were called upon to remove it. As soon as the sepoys touched him he threw himself on the ground with the salt held firmly between his legs. The salt was removed with difficulty and he was left sitting on the ground. Meanwhile many excited and vociferous volunteers gathered round him and it apears that he fainted. Mr. Shaikh, the Deputy Superintendent of Police, wished to give him water and to have him removed in a Police car to hospital but his help was refused. The leader of the batch, a medical student, wanted to make use of the Police car but he was cried down, and the volunteers began to carry the man away but after some deliberation allowed him to be treated by the Government Medical Officer of the dispensary. His report says that the man was suffering from shock and was unconscious for about an hour and that he had some skin-deep scratches on his neck and a slight swelling on his testicles.

On the 16th April the Assistant Superintendent of Police saw the Doctor, Mr. Bhatt. On that day about 200 volunteers crowded into the dispensary compound saying that Ambalal could not

breathe and was dying, but the Doctor found that he was merely uneasy owing to flatulence and that there was nothing seriously wrong with him.

The evidence of Mr. Neale clearly shows that no sepoy attempted to throttle the volunteer and that no one touched his private parts and it is corroborated by the Assistant Collector of Salt Revenue, Mr. Fletcher, who was also present at the time of the disturbance. The latter says he saw no semblance of brutality on that day or on any other occasion.

It is clear that if the man fainted it was because he was overcome by the heat after walking many miles to fetch illicit salt and because he had exhausted himself in his struggle.

The further allegations which have appeared to the effect that iron instruments were used to injure the hands of volunteers, that a volunteer was thrice stripped naked and that another was burned with a lighted cigarette are unsupported by any form of evidence, and it is curious that no photograph of such incidents can be produced, although cameras and cine-kodaks were being freely used throughout.

It is evident from the statements of various officers and of independent witnesses that the behaviour of the champions of non-violence was aggressive in the extreme. On one occasion some of them bit the officers who were trying to take away contraband salt from them and on another, a volunteer, angry on account of losing his salt picked up two handfuls and threw it in the face of two salt policemen who stood nearby. The same man, with others, on another occasion threw a handful of salt at Mr. Fletcher and Mr. Neale as these officers were passing by in a car. The leader of the batch subsequently made this man apologise to these officers for his conduct.

VIRAMGAM.

The stories of the "excess" at Viramgam are just as untrue as those at Dholera. The letter written by Mr. Jivanlal Desai, Bar.-at-Law, and others which appeared in the *Bombay Chronicle* on 17th April gives a fair account of what has been happening on

the arrival of trains with volunteers carrying contraband salt. The letter says :—" Sir,—We beg to report what we saw at the Viramgam railway station to-day at about 1-45 p.m. when the mid-day Kathiawar train arrived. One of us Mr. Jivanlal Desai, Barrister of Ahmedabad, has specially come here to have an ocular view of the doings of the Customs and Police officers, Mr. Gholap, the Sub-divisional officer was present and in his presence the scenes were enacted. The Senior Salt Inspector Mr. Kyte was present with a posse of Excise Police and Salt Revenue peons. Mr. Harrall, Deputy Superintendent of Police, with K. S. Umarbhai, Inspector, Viramgam Division, were also present. There was a Mahomedan who was at one time a ' chauffeur ' in the service of a Salt Officer rendering necessary assistance with a knife in his pocket, which was occasionally brought out to cut the knotted parcels of salt. Several volunteers arrived by the train with small parcels of salt which they carried in their hands. The young men played their part to defend the salt in their possession and they did not give it up, till they were forced to, by the superior force of the Police and the Customs Officers assisted by their peons. We noticed that some young men were overpowered by four or five individuals. In several instances the knots had to be cut open with the knife by the Mahomedan ex-chaffeur. We do not know whether this man is in the employ of the Salt or Excise Department or a mere volunteer out for any favours. The European Assistant Superintendent of Police was noticed cutting off parcels of salt which were tied to the arms of some volunteers. Also the Salt Inspector was noticed to do the same."

Subsequent reports in the *Bombay Chronicle* which appeared in the issue of 19th April are proved by the statements recorded to be without foundation. Mr. Harrall, Deputy Superintendent of Police, has been present at all searches and seizures of contraband salt coming in from Kathiawar.

He states that all searches for illicit salt have been carried out in the presence of responsible officers and that no instances of brutality have occurred. His evidence, which is supported by the testimony of a number of independent persons, notably by that of a member of the American Mission at Viramgam, shows that the resistance of the volunteers daily became more and more aggressive,

taking the form of secreting the salt high up between their legs and of throwing themselves upon the ground and that in many cases volunteers were found with bags of salt bound to their arms with wire. In such cases the wire was cut with clippers or the bags were cut open with a penknife. This was done before superior officers who maintain that no one was injured with the exception of one Police sepoy who was kicked on the knee by a volunteer and sent to dispensary for treatment.

Mr. Gholap, I.C.S., was also present at every search at Viramgam and he has nothing to report of any untoward incident.

Patdi.

In regard to the tales of the 'harrowing Police excesses' at Patdi, enquiry has revealed the same story of exaggeration and distortion. On 22nd April on receipt of a wire Mr. J. R. Harris, Assistant Superintendent of Police proceeded to Patdi with Mr. Gholap, I.C.S., Mr. Fletcher, Assistant Collector of Salt Revenue and Mr. Harrall, Deputy Superintendent of Police. On arrival they saw a volunteer named Jathalal Maganlal, aged 25, a Clerk of Ahmedabad, lying on a cot on Patdi station platform. There were some sixty or so volunteers round him. The Assistant Superintendent of Police took the statements of the volunteer and the doctor. The volunteer alleged that two salt police set upon him to take away his salt, one held his neck and the other pulled his testicles and so caused him to faint with pain. He said that in all seven salt police set upon him. He is upheld by the statement of another volunteer, who alleges that one of the salt police hit him in the chest with his rifle but when he went to help his comrade. The medical officer in charge of the railway dispensary who examined him early next morning found nothing to substantiate the allegations. His certificate says:—"The patient was conscious and the pulse was good: there was a slight contusion, probably a finger mark, over the right collar-bone; while there were complaints of pain over the right side of the abdomen there was no fracture or other external injury; there were complaints of pain in the volunteer's testicals but no swelling or injury external detected except some tenderness over the left groin." His testicals far from being being swollen were found to be abnormally small and undeveloped

Taking all the circumstances into consideration, including the evidence of the doctor and of the Station Master, Patdi, who did not see anyone lifting up his rifle or giving blows, it appears that this story is as far fetched as the others. The volunteer was carrying only a small quantity of salt and in all probability would not have been interfered with if he had not defied the salt police to take it away from him.

The evidence before Government indicates that there is no truth in the allegations made against the Police and the officials of the Salt Department. The volunteers have produced no reliable evidence in support of their stories. A comparison of the statements of persons hostile to Government, of impartial persons and of Police Officers who were on the spot, shows that the stories of ill-treatment have been concocted to serve as propaganda.

Press Note, dated 22nd May 1930, issued by the Chamber.

The following resolution was passed by the Committee of the Indian Merchants' Chamber at their meeting held on 20th May 1930 *regarding the Press Communique issued by the Director of Public Information re : Police excesses at various places :—*

Committee Indian Merchants' Chamber have considered the Note of the Director of Public Information, dated 8th May 1930, regarding the Police excesses against the Satyagrahi volunteers and the onlookers at several places in Bombay Presidency. The actual statement of facts made in that communique are notoriously divergent from the occurrences as they took place. The Director of Information, the Committee are convinced, has sought to minimise or explain away the actual excesses of the Police which were, in many places, brutal and savage, calculated to reflect the utmost discredit on the Government. Committee have heard of similar excesses, from many sources, particularly at Wadala, subsequent to the communique of the Director of Information and feel more convinced than ever that the general policy adopted by the Police Department in the present situation reflects unmitigated discredit upon a Government pretending to call itself civilised. Committee accordingly feel that the time has arrived when such a misleading and misinforming department should be put an end to.

and the strongest possible action be taken against the Police force responsible for attrocities and excesses at several places in their contest against the Satyagrahi volunteers and the members of the public in the last few days."

APPENDIX CXIX.

COST OF ELECTRICAL ENERGY IN THE CITY.

Letter No. 3341, dated 14th October 1930, from Chamber to Bombay Electric Supply and Tramways Co., Ltd.

I am directed by the Committee of this Chamber to write to you in connection with the necessity of reducing the charges levied by the Bombay Electric Supply and Tramways Company for the supply of electricity.

As your Board must be aware the general depression in the trade and industries of this City, which has set in for sometime past has not abated in any degree. On the contrary the depression has tended to increase during the last few months and there is no sign of a recovery in near future. The world-wide fall in prices aggravated by other causes has considerably lessoned the earnings of the mercantile community of this City. And it is just at this moment that there is an immediate and pressing necessity for a general lowering down of the charges which it has to bear. The charges levied by your Company are already too high—especially when a comparison is made between the charges the Company has to pay to the Tatas for the supply of power and the charges which the consumer has to pay to the Company.

In view of all these facts, my Committee would request your Board to reduce the charges levied by your Company for the supply of electricity.

Copy of Letter No. 16170-30, *dated* 15*th November* 1930, *from The Bombay Electric Supply and Tramways Company, Ltd., to The Secretary, The Indian Merchants' Chamber, Bombay,* re: *Electric Supply Tariffs.*

With further reference to your Letter No. 3341, dated the 14th October 1930, I am now directed to state that the question of

lowering the rates for the supply of electrical energy has for some-time past been receiving the careful attention of my Board of Directors.

It appears to have been assumed by your Committee that, because this Company purchases electrical energy from the Hydro Companies at a certain rate, the difference between that and the selling rate is largely profit. That is, however, by no means the case. The Company has to bear very considerable losses in transformation and distribution. It has to meet interest, depreciation and other charges on a network of mains and other works, which have cost approximately three crores of rupees. It has to maintain a staff of approximately a thousand employees engaged in the running of the plant, repairs and maintenance, meter reading, inspection and supervision, accounting and ancillary services. It has further constantly to bear heavy expenditure in extending and improving the distribution system and safeguarding the supply. Much of the electrical energy is sold at the low rate of one anna per unit. When all these items are taken into account the margin of profit is moderate.

The Board is, however, constantly actuated by the responsibilities of the Company as a public utility corporation.

Experts in electrical tariffs from England and America have recently examined the system of charges in force and their reports, and any recommendations based thereon, will be most carefully considered by the Board.

Copy of Letter No. 2786, *dated 28th November* 1930, *from the Indian Merchants' Chamber to The General Manager, The Bombay Electric Supply and Tramways Co., Ltd., Bombay,* re : *Electric Supply Tariffs.*

I am directed to acknowledge receipt of your letter No. 16170-30, dated the 15th November 1930, in connection with the lowering of rates for the supply of electric energy and to request you to kindly inform my Committee of the decision of your Board on the report on the system of tariffs to be submitted by experts.

APPENDIX—CXX.

ARREARS OF WORK IN THE HIGH COURT—ESTABLISHMENT OF CITY CIVIL COURT.

Letter No. 241, dated 3rd February 1930, from Chamber to Government of India, Home Department.

The attention of the Committee of this Chamber is drawn to the congestion of work in the High Court of Bombay and the heavy delays which take place in the disposal of the different suits. The commercial community is vitally concerned with this question, as they suffer more than any other section through extraordinary delays and abnormal cost of litigation and my Committee have, therefore, been considering as to the best possible manner in which complaints regarding these two grievances of pressing and urgent nature may be removed. There is a suggestion from some quarter that the number of Judges in the High Court may be increased, if not permanently, at least for a temporary period. Superficially that may appear to be a possible remedy. My Committee, however, do not agree to this increase of Judges and are strongly of opinion that instead of taking palliative measures, which are not calculated to give much satisfaction, Government should go to the root of the question and remove the fundamental cause of the present congestion and extraordinary delays which are taking place at present in the disposal of suits. The number of Judges has been already increased during the last seven or eight years by about three, and looking to the financial conditions of the Presidency no further expenditure on that score would be deemed justifiable. My Committee beg to suggest that it would greatly facilitate the solution of this problem if a City Court were established immediately with a pecuniary jurisdiction upto at least Rs. 5,000. My Committee made this suggestion in their letter No. G. 2692, dated 15th November 1927, wherein they had suggested a limit of Rs. 10,000 but unfortunately the same has not been taken up by Government to this date. There is the other alternative also, *viz.*, raising the limit of the Small Causes Court. My Committee understand, however, that Government are not in favour of such a suggestion. Under the circumstances, my Committee would strongly urge the institution of a City Court with a limit of Rs. 5,000, which would draw away

much of the work from the High Court and would be helpful in removing the just complaints of the business community at the extraordinary delays which are taking place in the High Court, as well as on the score of the high cost of litigation. According to the report of Civil Justice Committee the congestion in the Bombay High Court, while compared with the other Indian Courts of the same status, happens to be due to a large proportion of small value suits being filed there. My Committee understand that they constitute nearly fifty per cent. of those filed. If these suits are removed from the Board of the High Court by providing a City Court, not only the congestion will disappear from the High Court, but it may be possible even to reduce the number of Judges there. The procedure in the High Court is also very detailed with the result that delays must occur at every stage. Whatever may be urged in favour of this detailed procedure in connection with suits where high values are involved, the same presses very harshly on the litigants fighting on small values, with the result that the cost on either side exceeds the stake involved by cent. per cent. and more in view of 33·1/3 surcharge. The natural sequel is that the temptation to continue fighting right up to the highest Tribunal of Appeal available, becomes paramount and the Tribunals of Justice present the unedifying spectacle of parties fighting for costs, the original stake having shifted entirely to the background as a wholly insignificant item. The establishment of a City Court would simplify procedure, reduce the cost of litigation to the minimum, and afford satisfaction to all parties as a Superior Court, working more or less as Miniature High Court under the Supreme Court with simplified procedure. The reduction of work would mean reduced expenditure there, whereas the City Court will, with properly graded fees, bring more than enough income to make up for all expenditure involved in connection with this most urgently required innovation.

My Committee are of opinion that side by side with this certain steps should be taken in the internal administration of the Bombay High Court, which would be helpful towards the object all have in view. My Committee recognise that the Hon'ble the Chief Justice and Judges of the High Court have been thinking about this very problem, since a long time past and have, so far as the information of my Committee goes, taken some steps already

in the matter. Such steps, however, have proved grossly inadequate to meet this extraordinary problem. My Committee suggest that by some arrangement Judges' meeting should be held after Court hours (they have become of late a normal feature and Courts rise early almost every week) and that some Judges should be made to work up arrears in the Appellate Side during vacation. Also that the present period of summer vacation be materially reduced. My Committee also beg to suggest that the burden of administrative work which is taking away much of the time of the Hon'ble the Chief Justice and other Judges should be lightened and if necessary a Special Officer be appointed for the purpose, thus releasing the Judges from work, which can easily be handled by some Officer other than Judge of the High Court.

My Committee beg to hope that these suggestions of theirs will be accepted and that the remarks taken in the spirit in which they are offered.

No. 519, dated 8th March 1930, from Chamber to Government of Bombay, Home Department.

The attention of my Committee has been drawn to a statement made by the Hon'ble the Leader of the House during the debates on the Budget in the Legislative Council, that though Government were in favour of the establishment of a City Court, many commercial bodies in Bombay did not approve of the suggestion. My Committee would like to know the names of these commercial bodies which had opposed this scheme. As far as their information goes, almost all the Indian commercial organisations are in favour of the suggestion.

No. 1322-111-B, dated 22nd April 1930, from Government of Bombay to Chamber.

I am directed to acknowledge the receipt of your letter No. 519, dated the 8th/10th March 1930, and to state that Government regret that they cannot see their way to give the names of those commercial bodies who disagreed with the proposal for the establishment of a city Civil Court in Bombay.

No. 619, dated 24th March 1931, from Chamber to Government of Bombay, Home Department.

I am directed by the Committee of this Chamber to address the Government of Bombay with regard to the question of establishment of a City Civil Court in this City. My Committee have always felt that the costliness of legal proceedings and the inordinate delay which takes place in the disposal of suits are a great handicap in the way of business people. It was because of this that they, so far back as 1917, addressed a letter to Government. There were at the time two alternatives before Government to remedy this evil, *viz.* (1) the establishment of a City Civil Court on lines similar to the one in Madras, and (2) the extension of the powers of the Small Causes Court. My Committee approved of the second alternative and gave their reasons for doing so. Nothing, however, came out of this till 1924 when Government introduced a Bill in the Bombay Legislative Council to amend the Small Causes Court Act, 1882. Government had dropped the first alternative, *viz.* the establishment of a City Civil Court and proposed to take up the other alternative *viz.*, extension of the powers of the Small Causes Court. Unfortunately, even this proposal to extend the powers of the Small Causes Court which was incorporated in the form of a Bill was not pushed further by Government on the ground that "it was generally opposed". My Committee, though they wrote to Government, could not elicit the information as to which bodies particularly had opposed it. Since 1924, my Committee have been re-considering the question and have been strengthened in their original belief that the establishment of a City Civil Court was the best way out of the present difficulties experienced by businessmen with regard to both the costliness of the litigation and the inordinate delay in the disposal of suits. In their letter to the Prothonotary and Senior Master, H. M.'s High Court, Bombay, No. 3974, dated the 16th December 1930, my Committee emphasised this aspect of the question. In this connection, they are glad to note the views of Government as expressed in "A Note on the Co-ordination of Administration of Greater Bombay", where it is observed that the solution of the difficulty (extension of the jurisdiction of Bombay City for Police purposes) would appear to be the establishment of a City Civil Court, a demand for which, it is understood, is

growing stronger and that the establishment of such a Court would recieve the High Court of a number of cases of a petty nature and allow time for the hearing of appeals, etc. My Committee are also glad to note that the Hon'ble Member in Charge of the Home Department expressed his approval of a City Civil Court in his speech on the 21st February 1930, and also recently in his speech on the 12th March 1931, in the Bombay Legislative Council. The Hon'ble the Home Member in his recent speech remarked that the proposal had come only from members of the House and that Government would like to be assured by the mercantile community that they wanted a City Civil Court. It must be seen from the facts given herein that the Indian commercial community has always favoured the idea of the establishment of a City Civil Court since 1917 and it was not because of their opposition or indifference that the idea was dropped in 1924 but because Government wanted to adopt an alternative which was almost similar to the City Civil Court proposal. Even their second proposal *viz.*, extension of the powers of the Small Causes Court would have been preferable to continuing the present system and thereby penalising the business community needlessly. My Committee realise that the establishment of a City Civil Court will mean some additional expenditure, but they are of opinion that whatever expenditure to be incurred on such a scheme will be amply compensated by retrenchment Government will be able to make in the number of Judges of the High Court and other matters.

Under the circumstances, my Committee beg to hope that Government will be pleased to arrange for the establishment, as soon as possible, of such a City Civil Court in the City, and thus relieve the commercial community of a good deal of their present hardship and inconvenience regarding litigation.

With reference to the scale of charges allowed to attorneys in taxation, my Committee have been representing to the High Court, not only that the 33⅓ per cent. excess which was allowed to be added on the total of attorneys' Bills as surcharge on the alleged increase of expenditure by way of rent, salaries to clerks, stationery, etc., during the war period, for which there is of course no justification now, should be abolished altogether, but that the whole scale

should be reconsidered and reduced. This is due to the fact that even the old scale was framed on an extravagant footing unsuitable to a poor country like India. My Committee are informed that the scale is being revised by the High Court and will come up to Government for sanction at an early date, if it has not been already. I am directed by my Committee to request you therefore that the revised scale be sent to my Committee for comments and opinion before it is finally dealt with as the commercial community feels heavily the present exorbitant cost of litigation.

APPENDIX CXXI.

SURTAX ON SOLICITORS, FEES—ENGAGEMENT OF TWO COUNSELS IN LONG CAUSES OF OVER Rs. 5,000.

Letter No. 497, dated 15th April 1930, from the Prothonotary and Senior Master, Bombay High Court, to Chamber.
(Ref. Report for 1927, pp. 597.)

1. I am directed by the Honourable the Chief Justice and Judges to refer to your letter No. G. 2692, dated the 15th November 1927, on the subject of reduction in the scale of fees charged by Attorneys and of making the attendance of both Counsels compulsory when two Counsels are engaged in a suit and when fees are charged for both of them, and to state that their Lordships, after obtaining the views of the Bombay Incorporated Law Society and the Bombay Bar Association, have carefully considered the subject matter of your letter.

2. I am to say that the Judges consider that the existing long standing practice of employing two Counsels in every long cause over Rs. 5,000 requires qualification, so long, at any rate, as, in practice, only one of those two Counsels is present in Court or actively assists in the conduct of the case in Court. Their Lordships, however, prefer for the present to see what changes in the Bar Rules the Bar are prepared to suggest. Their Lordships, therefore, will not at once make any alteration in the present practice but may have to do so on receiving the Bar's reply to the proposals submitted to them.

3. As regards the revision of the scale of fees charged by Attorneys, I am to say that their Lordships have decided to revise these fees and to eliminate the 33⅓% and have appointed a sub-committee for that purpose.

4. I am to say that their Lordships regret the delay in replying to your letter which was occasioned by the fact that they awaited replies from the Bombay Incorporated Law Society and the Bombay Bar Association to whom copies of your letter were sent.

Letter No. 3974, dated 16th December 1930, from Chamber to the Prothonotary.

I am directed by the Committee of this Chamber to address you with reference to the correspondence ending with your letter No. 497, dated 15th April 1930.

As this correspondence has gone on for a pretty long time, my Committee beg to submit herein the principal points in the said correspondence for the information of the Hon'ble the Chief Justice and Judges of the High Court of Bombay.

My Committee wrote to you in 1927 on the subject of surtax on Solicitors' Fees and the compulsion to engage two Counsels in all long causes of over Rs. 5,000. They pointed out that the scale of charges in connection with litigation on the Original Side of the High Court had always weighed heavily on the litigant public with the result that a large number of people were prevented from approaching the principal Court of Justice. The extra charge of 33⅓ per cent. which the Solicitors were allowed to levy under new Rule 535 A should be abolished. In respect of other charges, too, the Committee pointed out that the scale which had for its basis the scale of fees in force in the High Court of London was bound to prove too costly for a poor country like India. They submitted, therefore, that the old scale of fees should be revised with a view to bring about an appropriate reduction, particularly with regard to suits involving sums under Rs. 10,000. They also suggested the establishment of a Special City Court to try cases involving amounts under Rs. 10,000.

The attention of the Hon'ble the Chief Justice and Judges of the High Court was also drawn to the fact that litigants were compelled to engage two Counsels in all long causes of over Rs. 5,000. The Committee requested that instructions should be issued to the Taxing Master not to allow fees of two Counsels in cases where only one was present at the trial. It was further suggested that both Counsels should be asked to be present at the trial to give their services in return for their fees. This matter was referred by the High Court to the Bombay Bar Association and the Incorporated Law Society of Bombay and as their replies were not received for a long time, the question was held in abeyance for over two years.

Early in April last, my Committee were informed that the Hon'ble the Chief Justice and Judges of the High Court considered that the existing long standing practice of employing two Counsels in every long cause over Rs. 5,000 required qualification, so long, at any rate, as in practice, only one of these Counsels was present in the Court or actively assisted the conduct of the case in Court. They, however, preferred to see what changes in the Bar Rules the Bar were prepared to suggest, and they would, therefore, not at once make any change in the present practice but would wait for the reply from the Bar to the proposals submitted to them. As regards the revision of the scale of fees charged by Attorneys, their Lordships had decided to revise these fees and to eliminate the 33⅓ per cent. and that they had appointed a Sub-Committee for that purpose.

In view of the fact that more than eight months have passed since the receipt of the said letter, my Committee beg again to approach you with an enquiry as to where the matter stands at present. Their Lordships the Hon'ble the Chief Justice and the Judges of the Bombay High Court cannot be unaware of the very great depression in trade and industries which is prevalent in the City. There is, therefore, found to be even a greater necessity for abolition of the 33⅓ per cent. sur-tax, against which my Committee have been protesting for a long time, as also for putting into effect the different suggestions they put forward for reducing the cost of litigation.

My Committee are also of opinion that their suggestion with regard to a City Civil Court to try cases involving amounts under

Rs. 10,000 should also now be taken up. It will, in their opinion, relieve the congestion in the High Court which is growing on in considerable proportions and is a cause of serious delay in the disposal of suits. The establishment of such a Court may also result ultimately in effecting retrenchment in the expenditure of Government by a reduction in the number of Judges in the High Court, and will get in more revenue from the proposed City Court which will have its scale of fees on the same basis as the Small Causes Court.

In this connection my Committee beg to point out that the Hon'ble Sir Earnest Hotson in his remarks in the Bombay Legislative Council, on 21st February 1930, observed :—

> "I * * * speaking of a separate City Court, like that in Madras, I myself am with the members on the opposite side who think that such a court might be established * * * "

In conclusion, my Committee think that it will not be out of place if they point out that this complaint of heavy cost of litigation and delays of law is not confined to Bombay or Calcutta, but it is also being felt in a wealthy country like London. The London Chamber of Commerce appointed a Committee of businessmen, lawyers and accountants to consider this very question. In view of the fact that the procedure prevailing in the High Court of London has been faithfully copied by the High Courts of Bombay and Calcutta, the findings of this Committee recently published are of great interest and importance in this country. The report lays down that the main cause of these delays and costs lies with two defects, *viz.*, (1) the unnecessarily cumbersome system of procedure, and (2) the duel system which, in the opinion of that Committee, insists upon the present separation " of the two sides of the legal profession, which should be ended as this would undoubtedly considerably lessen the expense caused by double representation of the litigants."

Under all these circumstances, my Committee beg to hope that their Lordships the Hon'ble the Chief Justice and the Judges of the Bombay High Court will now be pleased to give favourable and immediate consideration to these suggestions of theirs, and take early steps to put them into practice.

Letter No. 137, dated 7th February 1931, from the Prothonotary to Chamber.

With reference to your letter No. 3974, dated the 18th December 1930, regarding (1) the compulsory engagement of two Counsels in a Long Cause of over Rs. 5,000 when fees are charged for both of them; (2) the elimination of the addition of 33⅓% allowed to Attorneys and (3) the establishment of a City Civil Court to try Cases involving amounts under Rs. 10,000, I am directed by the Honourable the Chief Justice and Judges to reply as follows :—

As regards the question of compulsory engagement of two Counsel, I am to state that their Lordships consider that they have no power to do anything in the matter as the rule is one of the Bar Association and it is for them to amend it if so desired.

As for the elimination of the addition of 33⅓%, I am to say that the question of revision of the general scale of fees allowed to Attorneys, or alternatively the reduction of the 33⅓% is still under the consideration of their Lordships.

As to the establishment of the City Civil Court, I am to say that their Lordships have considered this question on more than one occasion and they are not in favour of the proposal.

Letter No. 620, dated 24th March 1931, from Chamber to the Prothonotary.

I am directed to acknowledge the receipt of your letter No. 137 of the 7th February 1931.

With reference to the remark of my Committee regarding the question of compulsory engagement of two Counsels, my Committee note that their Lordships are pleased to observe that they have no power to do anything as the Rule is one of the Bar Association and that it is for them to amend it if so desired. My Committee submit that the question is not merely for the Bar Association to decide, and their Lordships can intervene if they want to by making an amendment in the Taxing Rules so as to allow payment only for one Counsel while taxing. I am directed to draw attention of their Lordships, in this connection, to a precedent when a few years ago the then Hon'ble Chief Justice made a similar amendment in the

Taxing Rules disallowing bills for two Counsels in causes of less than Rs. 5,000. That amendment has worked successfully and has led to removing a good deal of the burden from the shoulders of the litigant public, as the practical effect of the amendment has been the discontinual of engaging two Counsels for causes of less than Rs. 5,000. My Committee hope that if their Lordships are pleased to have a similar amendment for all causes there will be a great advantage to the business community.

My Committee note that the question of the revision of the general scale of fees allowed to attorneys or the alternative reduction of 33⅓ per cent. sur-tax is still under the consideration of their Lordships. They may, however, be allowed to urge in this connection that their Lordships will be pleased before fixing the revised scale, to give an opportunity to the commercial community to express their opinion thereon.

APPENDIX CXXII.

HIGH SCALE OF FEES IN SMALL CAUSES COURT.

Letter No. 239, dated 3rd February 1930, from Chamber to Government of Bombay, Home Department.

The attention of the Committee of this Chamber has been drawn to the very high scale of Court Fees which merchants have to pay for recovering their claims in the Small Causes Court. This scale is much higher than the scale fixed for the High Court and acts as a deterrent against the merchants seeking their redress through the medium of the Small Causes Court. There are cases where a litigant prefers even for cases of pecuniary limits upto Rs. 2,000 going to the High Court, to save the high scale of Court fees charges in the Small Causes Court. Looking to the fact that the High Court work is very heavily congested and that very great delays are taking place in the disposal of suits here, my Committee think that it would relieve to some extent this congestion if the scale of fees for the Small Causes Court is appreciably reduced. The trade and industries of Bombay, it is well-known, are passing through a great depression, and it would be a great help if the

fees for the Small Causes Court were reduced, as it would help the parties to a suit considerably and would make justice cheaper for people who cannot afford the high charges now levied.

My Committee beg to hope that their suggestions will be accepted.

APPENDIX CXXIII.

DRUGS ENQUIRY COMMITTEE.

The following is a Resolution, No. 1637 (*Health*), *dated the* 11*th August* 1930, *of the Government of India, Department of Education, Health and Lands :—*

In pursuance of a Resolution which was adopted by the Council of State in March 1927, recommending the Governor General in Council to urge all Provincial Governments to take such steps as may be possible to control the indiscriminate use of medicinal drugs and to legislate for the standardisation of the preparation and for the sale of such drugs, the Government of India, after consulting and with the approval of local Governments, have decided to appoint a small Committee to explore and define the scope of the problem, and to make recommendations as to the measures which should be taken.

2. The terms of reference to the Committee will be as follows :—

(1) To enquire into the extent to which drugs and chemicals of impure quality or defective strength, particularly those recognised by the British Pharmacopœia are imported, manufactured or sold in Britsh India, and the necessity, in the public interest, of controlling such importation, manufacture and sale, and to make recommendations ;

(2) To report how far the recommendations made in (1) may be extended to known and approved medicinal preparations other than those referred to above, and to medicines made from indigenous drugs and chemicals, and

(3) To enquire into the necessity of legislation to restrict the profession of pharmacy to duly qualified persons, and to make recommendations.

3. The Committee will be composed as follows :—

Chairman.

(1) Lieut-Colonel R. N. Chopra, M.A., M.D. (Cantab), L.R.C.P. (London), M.R.C.S. (Eng.), I.M.S., Professor of Pharmacology, School of Tropical Medicine and Hygiene, Calcutta.

Members.

(2) Revd. Father J. F. Caius, S.J., Pharmacologist at the Haffkine Institute, Bombay.

(3) Mr. H. Cooper, Ph. C., F.C.S., of Messrs. Smith Stanistreet & Company, Ltd., Manufacturing Chemists, Calcutta.

(4) Maulvi Abdul Matin Chaudhury, M.L.A.

A Secretary whose name will be announced later.

4. The Committee will have the power to co-opt members when necessary. It will visit important centres in the provinces and will take evidence on the questions stated in the terms of reference. It will also issue a questionnaire to selected persons and bodies.

QUESTIONNAIRE.

I. To be answered by Manufacturers of drugs and chemicals :—

QUESTIONS.	ANSWERS.
1. State as nearly as possible your annual output of the following :—	
(*a*) Tinctures and other spirituous preparations	

I. To be answered by Manufacturers of drugs and chemicals:—

QUESTIONS.	ANSWERS.
(*b*) Liquid Extracts.	
(*c*) Solid Extracts.	
(*d*) Mineral Acids.	
(*e*) Inorganic Chemicals.	
(*f*) Organic Chemicals.	
(*g*) Alkaloids.	
(*h*) Organic Antimony and Arsenic compounds.	
(*i*) Organo-therapeutic products.	
(*j*) Vaccines and Sera.	
(*k*) Proprietary Liquid preparations.	
(*l*) Proprietary Solid preparations.	
(*m*) Any other liquid preparations.	
(*n*) Any other solid preparations.	
2. What difficulties do you experience from the following causes:—	
(*a*) In obtaining indigenous raw materials of standard quality?	

I. To be answered by Manufacturers of drugs and chemicals:—

QUESTIONS.	ANSWERS.
(*b*) Due to Customs and Excise regulations.	
(*c*) In connection with any other factors in the drug manufacturing trade.	
3. What arrangements have you for the biological control of preparations which cannot be standardised chemically ?	
4. How do you obtain your raw-materials ? What arrangements have you for the analytical control of such material and the finished products you manufacture ?	
5. State the names and qualifications of all chemists you employ ?	
6. How many employees have you in the factory and laboratories ?	
7. Do you think samples of raw materials and finished products should be examined at a Central Laboratory ?	

II. To be answered by Importers and Dealers.

QUESTIONS.	ANSWERS.		
	Quantity imported per annum.	Value.	Country of origin.
1. State as nearly as possible the quantity imported per annum, approximate value and country of origin of the following :			
(*a*) Tinctures and Spirits.			
(*b*) Liquid Extracts.			
(*c*) Solid Extracts.			
(*d*) Mineral Acids.			
(*e*) Inorganic Chemicals.			
(*f*) Organic Chemicals.			
(*g*) Alkaloids.			
(*h*) Organic Antimony and Arsenic compounds.			
(*i*) Organo-therapeutic products.			
(*j*) Vaccines and Sera.			
(*k*) British Proprietaries.			
(*l*) French Proprietaries.			
(*m*) German Proprietaries.			
(*n*) American Proprietaries.			
2. Give names and addresses of firms for whom you are a special agent.			

II. To be answered by Importers and Dealers.

Questions.	Answers.		
	Quantity imported per annum.	Value.	Country of origin.
3. Do you always supply in original containers as received?			
4. Do you buy in bulk and pack under your own name.			
5. What guarantee do you receive of the standard of purity of all imported medicines?			
6. What precautions do you take on receipt, that the goods are up to standard?			

III. To be answered by Dispensing Chemists.

Questions.	Answers.
1. What precautions do you take to ensure that all drugs and chemicals used are of standard strength and purity?	
2. How many qualified compounders do you employ? Do you think that the profession of Pharmacy should be restricted to duly qualified persons?	

III To be answered by Dispensing Chemists.

QUESTIONS.	ANSWERS.
" 3. What is the average number of prescriptions you dispense a day ?	
4. What system of check do you employ in dispensing?	
5. What difficulties do you experience from the Poisons Regulations ?	

IV. GENERAL.

To be Answered by all.

1. Do you consider that control of therapeutic agents on the lines enacted in such countries as Great Britain, United States of America, etc., desirable in this country ?	
2. If not, what other suggestions have you to put forward to ensure the purity and activity of all medicinal substances manufactured or imported ?	
3. What is your opinion regarding standardisation of various preparations made from drugs used in the indigenous medicines, on the Indian market ?	
4. Are you aware of any cases where such preparations were proved to be inactive	

III To be answered by all.

QUESTIONS.	ANSWERS.
or harmful? Do you think it is possible to control them in the same way as the pharmacopœial preparations?	
5. What is your opinion regarding the increasing sale of proprietary remedies, particularly those with secret formulae, on the Indian market? What control in your opinion should be exercised over them?	
6. What personal experience have you of adulteration or inferior quality in medicinal preparations? Please give details:	
(*a*) Pharmacopœial preparations.	
(*b*) Proprietary preparations.	
7. Have you any other remarks to make with regard to the purity of drugs in general or any other matter in this connection?	

Indian Manufacture.		*Imported.*	
Inferior quality.	Adulterated.	Inferior quality.	Adulterated.

Signature.

REPLIES TO THE QUESTIONNAIRE ISSUED BY THE DRUGS ENQUIRY COMMITTEE.

PART I.

Question 7 : The Committee are of opinion that there should be a Central Laboratory in Bombay, where most of the drugs are imported, and branch laboratories in Calcutta, Madras and Lahore, for the examination of raw materials and finished products.

PART III.

Question 2 : The Committee are of opinion that the profession of Pharmacy should be restricted to duly qualified persons. It is to be deplored that the responsible work of dispensing should, at present, be done in several instances by people who have not got either knowledge or experience. The Committee suggest that a School of Pharmacy be started for imparting instruction to would-be compounders and others who want to follow the profession of Pharmacy. Those desirous of taking up the compounder's course should have passed the IV standard of the High School, while for those who select the latter course, viz., the profession of Pharmacy, the minimum qualification should be Matriculation with chemistry as an optional subject. The Committee are further of opinion that it is also necessary to impart higher education in pharmaceutical chemistry for graduates in science for the purpose of their being trained as manufacturing chemists or for doing research work on the analytical or the synthetical side.

PART IV.

Question 1 : The Committee agree that there should be control of Therapeutic agents on the lines enacted in such countries as Great Britain and the United States of America, etc., with modifications suited to the requirements of this country.

Question 2 : This is included in No. 1 above.

Question 3 : The Committee are of opinion that there should be a standardisation of various preparations made from drugs used in the indigenous medicines. Further, there should be standardisation for (*a*) drugs prepared on Western lines, and (*b*) drugs

prepared on Ayurvedic and Unani lines on systems to be specially worked out for the purpose.

Question 4 : The Committee have no such experience.

Question 5 : The Committee are not opposed to the sale of proprietory and patent medicines and medicinal preparations, provided they have their formulæ written on the labels. There should be a Pharmaceutical Institute to analyse all such medicines whenever necessary.

Question 6 : The Committee have no such experience.

Question 7 : The Committee suggest that there should be an All-India Council to determine the standards for drugs on Western lines, and also another for determining standards on Ayurvedic and Unani lines. They are also of opinion that the Central Council should prepare an Encyclopædic compilation with regard to drugs on Ayurvedic and Unani lines, and a Pharmacopia of Indian drugs on scientific lines.

The Committee are of opinion that it is highly essential to have a Pure Drugs Act for the country for ensuring the purity and standardisation of Drugs and proprietory foods used for medicinal purposes.

APPENDIX CXXIV.

DEPUTY HIGH COMMISSIONER FOR INDIA IN LONDON—APPOINTMENT OF Mr. A. M. GREEN.

No. 3739, dated 22nd November 1930, from Chamber to Government of India, Department of Industries and Labour.

The attention of my Committee has been drawn to the appointment of Mr. A. M. Green as Deputy High Commissioner for India in London which was announced recently. My Committee have always been pressing for Indianisation of all such appointments and they believe that the Government of India themselves have accepted this policy of Indianisation. The post of the Deputy

High Commissioner is a very important one specially as the man who is holding it may be called upon at any time to act as High Commissioner. Looking to the fact that an Indian High Commissioner has satisfactorily discharged his duties for the last 6 or 7 years, there was no reason why his Deputy should be a non-Indian. If an Indian is appointed as the Deputy High Commissioner he will get a very good training which will stand him in good stead if he is to work as High Commissioner temporarily or for a long period. My Committee feel that such an important position should not be given over to a non-Indian. They wanted to discuss this question with the Hon'ble Member in Charge of Industries and Labour on his recent visit to Bombay, but as he could not unfortunately stay in Bombay for 2 or 3 days, they had to forego the interview. As the Government of India, however, had promised, in your Department letter No. G. 10 (1), dated the 23rd October 1930, that this question would receive their consideration, my Committee are now writing to you to urge that this post should be given to an Indian gentleman.

With regard to the second post which is about to be created in the Office of the High Commissioner, my Committee urge that an Indian should be appointed to this post. The percentage of Indians appointed in the High Commissioner's Office is so very unsatisfactory that it is high time that the Government of India should appoint as many Indians as possible to the staff of the High Commissioner.

Indian High Commissioner's Post.

The following Press Communique, dated the 20th September 1920, *is published by the Government of India in the Department of Commerce :—*

(1) Section 35 of the Government of India Act, 1919, provides for the creation, by order in Council, of a High Commissioner for India in the United Kingdom.

(2) This section was inserted on the recommendation of Lord Crewe's Committee on the Home Administration of Indian affairs. Lord Crewe's Committee proposed, and the proposal was endorsed by the Joint Committee of both Houses which was appointed to

consider the Bill which subsequently passed into law as the Government of India Act, 1919, that the Government of India should have a special representative of high status in London, who would eventually take up all work hitherto done by the India Office for the Indian Government which is of an agency, as opposed to a political and administrative, character *i.e.*, in which the India Office ordinarily carry out the wishes of the Indian Government without question.

(3) The further developments of the functions and powers of the High Commissioner and his gradual approximation to the position of a High Commissioner to the self-governing Dominions will naturally depend upon the changes which may ensue in the relations of the Government of India to the Secretary of State and Parliament.

(4) It has now been decided by the Government of India and His Majesty's Government, that the time has come for making a beginning in the direction described above by the appointment of a High Commissioner, and that appointment has been created and its general functions and status defined by an order in Council approved by His Imperial Majesty the King.

(5) The High Commissioner, who will be subordinate to the Government of India, will, at the outset, take up the control of the large Stores Department of the India Office and the accounts section connected therewith and the Indian Students Branch. He will also supervise the work of the Indian Trade Commissioner already located in the city. When these arrangements are in satisfactory working order, Secretary of State for India will, in conjunction with the Government of India decide what further work of an agency character, for instance, such matters as the payment of leave and pension allowances can be transferred from the India Office to the High Commissioner, and from what date.

(6) The Order in Council prescribes that the appointment of the High Commissionership shall be made by the Governor General of India in Council, with the approval of the Secretary of State for India in Council, and the Government of India have nominated as the first holder of the appointment Sir William Meyer, G.C.I.E.,

K.C.S.I., formerly a member of the Governor General's Executive Council. This nomination has been approved by the Secretary of State for India. A Secretary will be attached to the High Commissioner and the first holder of the appointment will be an Indian gentleman, namely, Mr. J. W. Bhore, C.B.E., I.C.S. At the outset, the officers and clerks will be mainly those hitherto employed in the India Office on the work now to be taken over, but, as time goes on, the High Commissioner will fill up vacancies and provide for new posts which expansion of work may involve by independent recruitment under orders of the Government of India.

(7) The High Commissioner will enter on his duties on the 1st October. He will have a separate office building which will probably be located at 42, Grosvenor Gardens. If this is not ready for his occupation by the date above mentioned, he will sit in the India Office until it is.

APPENDIX CXXV.

DELAY IN THE SUPPLY OF GOVERNMENT PUBLICATIONS.

Letter No. 3345, dated 13th October 1931, from Chamber to Government of India, Department of Industries and Labour.

I am directed by the Committee of this Chamber to address you in connection with the inordinate delays in the supply of Government publications to the public.

A member of this Chamber wrote to the Manager, Central Publication Branch, Government of India, Calcutta, on the 29th August 1930, requesting him to supply the member with a copy each of the Report of the Tariff Board's Enquiry on Salt, and the volumes of Evidence relating thereto. Two reminders were sent by the member on the 11th and 25th September and he has now—after a month-received a reply as per copy enclosed. My Committee would like to add that this is not a solitary instance of the kind. The public has to wait often a long time after the publication of a book or report by Government before copies are made available to it. It often happens that when a particular report is actually received by the public, very little time is left to express

any opinion thereon. This inordinate delay acts as a serious impediment in the way of the public taking an interest in these enquiries and reports. There are also several agents for selling Government publications, but they are not found to stock these and if an order is placed with them, it takes an equally long time to execute it.

My Committee hope that proper enquiries will be made in the matter and that adequate provision will be made in future to remove the cause for similar complaints.

Letter No. A-575, dated 12th January 1931, from Government of India to Chamber.

With reference to your letter No. 3345, dated the 13th October 1930, I am to explain, for the information of your Chamber, the procedure which is followed for the supply of copies of Reports. All orders received prior to the release of a Report are registered in the Central Publication Branch and complied with as far as possible on the date of issue of the Report. An arrangement is also in force in that Branch whereby all important Reports such as the Tariff Board's Reports are regularly sent out a few days in advance of their respective dates of issue to local Government Book Depôts, so that the public all over India may have no difficulty in obtaining them simultaneously on their respective dates of release. Agents' "advance" orders are registered in the Central Publication Branch and copies are so despatched as to arrive on the date of release in order that orders placed by the public with Agents may be complied with promptly.

2. With reference to the specific complaint made in your letter referred to above and relating to the Tariff Board's Report on Salt and the volumes of Evidence, I am to say that the Manager of the Central Publication Branch has not been able to trace any letter issued by the Central Publication Branch on the 27th September 1930, of the kind indicated by the enclosure to your letter and relating to the Tariff Board's Report on Salt. I am to request that the name of the indentor and the station from which the order emanated may kindly be communicated to this Department if your Chamber desires that further enquiries should be made.

Letter No. 3762, dated 27th November 1930, from Chamber to Government of India.

On behalf of the Committee of this Chamber I sent a telegram to the Manager, Government of India, Central Publication Branch, Calcutta, to send me two copies of the Despatch of the Government of India on Constitutional Reforms against our account which is with him. Despite the fact that already two weeks have elapsed I have not got the copies as yet. Looking to the fact that this Despatch is an important document bearing on a question which is considered vital at the present moment, *viz.*, Constitutional Reforms, every public body and members of the public would like to have the copies as soon as possible. My Committee in this connection beg to draw your attention to a letter which they had addressed to the Government of India on 13th October 1930. They hope that definite arrangements will be made as soon as possible to enable the public to get copies of such important publications on the day on which they are published in the principal cities of India.

Letter No. S. Cen. G. (18)/10, dated 20th January 1931, from the Central Publication Branch, Calcutta, to Chamber.

Referring to your letter No. 3762-A, dated the 27th November 1930, addressed to the Secretary to the Government of India, in the Department of Education, Health and Lands, New Delhi, a copy of which was forwarded to this office for necessary action, I am to say that two copies of the Government of India Despatch were despatched on 15th November 1930, the day following the date of release *in Calcutta* which was fixed for the 14th November 1930.

The packet in question, it was later on ascertained, had been addressed to the Secretary, Indian Chamber of Commerce, evidently through a deplorable clerical oversight causing delay in their receipt.

I regret very much the inconvenience caused to you on this account and to state that steps have been taken to prevent its recurrence.

As regards the proposal mooted by you to obtain copies of such publications immediately on the respective dates of their release, I am to observe that every endeavour will be made to ensure their supply, whenever indented for, so as to reach you on the very date of publication save and except in the case of those publications about which specific instructions for release only in Calcutta as distinct from simultaneous release in different outlying centres of India are issued by the Government of India. In that case, I may assure you copies will be posted on the very date of release.

It is hoped, this arrangement will tend to prove satisfactory.

APPENDIX CXXVI.

ROYAL INSTITUTE OF SCIENCE POST OF PRINCIPAL.

Letter No. 3472, dated 3rd November 1930, from Chamber to Government of Bombay, Department of Education.

It has been brought to the notice of my Committee by their representative on the Advisory Committee of the Royal Institute of Science that the principal of that Institution is due to retire very shortly and that a new Principal will have to be appointed soon. My Committee beg to urge that an Indian gentleman should be appointed as Principal of the Royal Institute of Science. This Institution is the leading institution with regard to Science in the Presidency and the time has now arrived, in the view of my Committee, when an Indian scientist should be appointed as its Head. My Committee do not think that there will be any difficulty in finding out a suitable man for the post as there is a large number of Indians who have earned their name and fame in the field of science and have distinguished themselves not only in this country but even in the international world of science.

Under these circumstances, my Committee hope that the Government of Bombay will be pleased to appoint an Indian scientist as Principal of the Royal Institute of Science.

Letter No. 4581-E, dated 14th November 1930, from the Government of Bombay to Chamber.

I am directed by the Government of Bombay (Transferred Departments) to say that the views of the Indian Merchants' Chamber relating to the appointment of Principal, Royal Institute of Science, Bombay, as contained in your letter No. 3472, dated the 3rd November 1930, have been noted and that the claims of Indian Scientists who are qualified for the post will of course be fully considered.

APPENDIX CXXVII.

THE EXAMINATION OF THE SOCIETY OF INC. ACCOUNTANTS AND AUDITORS—CENTRE IN INDIA.

Letter, dated 26th February 1930, from the Indian Chamber of Commerce in Great Britain to Chamber.

The Council of the Chamber have under consideration the question of suggesting to the Society of Incorporated Accountants and Auditors the establishment of centres in India for holding their examinations. The said Society has arrangements to hold its examinations, besides the various places in Great Britain and Ireland, in Cape Town, Johannesburg and Durban. Large and increasing number of Indian Students come to this Country for Diploma Examinations in Accountancy and Auditing held by the Society. The question to be considered is whether holding of these examinations in India will appreciably assist Indian Students intending to take the Diploma in question. The second question to be considered is in relation to the appointment of an All-India Accountancy Board by the Government of India. The Council have not at their disposal the full particulars in regard to the purposes which this Accountancy Board is intended to serve. If the suggested holding of examinations of the Society of Incorporated Accountants and Auditors is likely to interfere with, or overlap any of the useful functions expected from the All-India Accountancy Board, the Council would have to consider seriously the suggestion before moving any further in the matter. Under these circumstances the Council will feel grateful if you will be

good enough to acquaint them with your views on the question, on the receipt the suggestion before the Council will be gone into more thoroughly.

Thanking you in anticipation.

Letter No. 755, dated 3rd April 1930, from Chamber to the Indian Chamber in Great Britain.

In continuation of this Office No. 673 of the 24th March, your letter of the 26th February re: advisability of moving the Society of Incorporated Accountants and Auditors there to establish centres for holding their examinations in India was considered by the Committee at their last meeting. Whatever need there might have been in the past for such foreign examinations in India, has now, with the establishment of an All-India Accountancy Board, ceased. Perhaps you are aware that in the recent session of the Indian Legislative Assembly, the necessary amendments in the Indian Companies' Act to enable the establishment of an Accountancy Board were passed, and the Board is expected to function shortly. As the Board will be holding its own examinations, my Committee feel that there is neither the need nor the justification for the examinations of any English Society being held in India.

My Committee may, in this connection, draw your attention to the scheme of commercial examinations being held by this Chamber. It was felt that the examinations held by foreign organisations like the London Chamber of Commerce were not suited to the requirements of Indian conditions and it was with a view to provide for examinations adapted to Indian requirements that the Committee started a scheme of examinations. Similarly, an Indian organisation like the All-India Accountancy Board, with the avowed object of regulating and organising the profession of Accountancy, may be better expected to conduct examinations more adapted to Indian conditions than any foreign organisations however highly placed they may be.

My Committee are, therefore, opposed to the idea of asking the above Society to hold their examinations in India.

Letter, dated 10th May 1930, from the Indian Chamber, London, to Chamber.

I have to acknowledge receipt of your letter No. 755, dated 3rd April 1930, and convey the thanks of the Council for expressing the views of your Committee regarding the question of establishment of centres in India for the examinations held by the Society of Incorporated Accountants and Auditors. It is also noted that the necessary amendments in the Indian Companies' Act to enable the establishment of an Accountancy Board were recently passed in the Legislative Assembly and the Board is expected to function shortly. Under the circumstances the Council have decided not to take any action in the matter.

APPENDIX CXXVIII.

BOMBAY ELECTORAL RULES—AMENDMENT OF RULE 21.

Letter, dated 23rd December 1929, from the Government of Bombay, Legal Department, to Chamber.

I am directed by the Governor in Council to forward herewith the following suggestions for amendment of the Bombay Electoral Rules and to request that you will be so good as to favour Government with your opinion thereon :—

(1) At the end of rule 21 the following may be added :—

" Two copies of the regular books of account shall be sent by the agent of every candidate every week from the date of nomination of the candidate till the accounts of the election are closed to the Returning Officer who shall publish one on some conspicuous place in his office and the other he shall keep in his record." If this practice is followed, rival candidates will know what expenses are being shown and to a certain extent at least this will be a check on excessive expenditure.

(2) The candidates should be compelled to file the regular books of accounts kept for the election with the return of election expenses.

Letter No. 162, dated 27th January 1930, from Chamber to Government of Bombay.

I am directed to acknowledge receipt of your letter No. Elec. Rules 25/29, dated 23rd December 1929, in connection with the amendment of Rule 21 of the Bombay Electoral Rules.

My Committee have considered the proposed amendments and they are of opinion that the amendments would not serve the purpose which Government have in mind. They, therefore, oppose the proposed amendments.

APPENDIX CXXIX.

ELECTION OF A REPRESENTATIVE OF THE CHAMBER ON THE SENATE OF THE BOMBAY UNIVERSITY.

Letter No. 4441, dated 19th May 1930, from the University Registrar to Chamber.

I have the honour to inform you that Mr. Kapilram H. Vakil, the representative of your Chamber on the Senate of the University, will vacate his office of Fellow under Section 45 (1) of the Bombay University Act, IV of 1928, on the 4th August 1930. I am to request you to make arrangements for holding an election for the purpose of filling this vacancy and to communicate to me the name, degree, if any, and the address of the person so elected.

2. Statute 6 of the Statutes of the University regarding the manner of election of representatives of Public Bodies on the Senate is quoted below for ready reference :—

> " 6. The Registrar shall notify to the several public associations and bodies referred to in Section 13 II (A) (*iv*) (*a*), (*b*), (*c*), (*d*), (*e*), and (vii) of the Act, requesting them to elect their representative to be a Fellow of the University. Within five weeks of such notification, or in its next sittings whichever is the later, such election shall be held by the respective associations and bodies under rules to be made by them in this behalf and on the election being held, the said associations and bodies shall each of them make a return to the University intimating the names, degrees, and addresses of the persons so elected by them."

Letter No. 2078, dated 24th June 1930, from Chamber to the University Registrar.

I beg to inform you that the polling which took place in the office of the Chamber on the 23rd June 1930 for the election of a Fellow to represent this Chamber on the Bombay University Senate resulted in the election of Mr. Nagindas T. Master, B.A., LL.B. His address is :

94, Medows Street,

Fort, Bombay.

APPENDIX CXXX.

FIFTEENTH INTERNATIONAL LABOUR CONFERENCE—1931—INDIAN EMPLOYERS DELEGATION TO

Letter No. 3220, dated 10th November 1930, from the Labour Office, Bombay, to Chamber.

I have the honour to forward herewith for the information of your Chamber a copy of a press communique issued by the Government of India in the Department of Industries and Labour on the above subject.

Press Communique, dated the 23rd October 1930.

The Government of India have been informed that the Fifteenth Session of the International Labour Conference will open at Geneva on the 28th May 1931 and that the following subjects will be on the agenda :—

I. Minimum age of employment in non-industrial occupations.

II. Hours of work in coal mines.

The first subject is new to the Conference and will therefore be down for first discussion. The second subject was previously discussed at the Fourteenth Session held in 1930.

2. The representation of each Member State at a session ordinarily consists of two Government Delegates, one Employers' Delegate, one Workers' Delegate and a number of Advisers for each class of Delegates. The duty of nominating the personnel of the entire Indian Delegation rests with Government, but in selecting the Employers' Delegates, the Workers' Delegate and their respective Advisers, the Government of India will attach due weight to recommendations made by organized representative associations of employers and workers.

3. All suggestions relating to the nomination of non-Government Delegates and their Advisers should reach the Secretary to the Government of India in the Department of Industries and Labour as early as possible, and in any case, not later than the 1st December 1930.

4. Allowances (on a scale which can be ascertained by application to the Department of Industries and Labour) will be granted by Government to defray the expenses of Delegates and Advisers finally nominated.

Press Communique, dated the 18th November 1930.

In the Press Communique dated the 23rd October 1930, inviting suggestions for the nomination of non-Government Delegates and their Advisers to the Fifteenth International Labour Conference which is to be held at Geneva in May next, the Government of India fixed the 1st December 1930 as the latest date on which suggestions regarding the selection of the non-Government delegates and advisers will be considered. The Government of India have decided to extend the date to the 1st January 1931.

Letter No. F. 1340, dated 6th December 1930, from the Federation of Indian Chamber of Commerce and Industry to Chamber.

The Committee of the Federation that met here on the 5th instant considered the various suggestions made by the Member-Bodies with regard to the recommendations to be made to the Government of India in connection with the nomination of Indian

Employers' Delegation to the XV Session. The Committee found that the name of Mr. Hooseinbhai A. Laljee, President, Indian Merchants' Chamber, Bombay, was suggested by a majority of Member-Bodies as Delegate to the said Conference. Mr. Hooseinbhai A. Laljee needs no introduction, he being a very influential member of the Bombay commercial community and at present the President of the Indian Merchants' Chamber as well as of the Bombay Municipal Corporation. The Committee in recommending the name of Mr. Hooseinbhai A. Laljee as the Delegate of the forth coming Conference felt that it would be a very happy choice if all the Member-Bodies would agree to support the Federation in unanimously recommending his name to the Government of India as the Employers' Delegate to the forthcoming Session of the Labour Conference.

As regards the nomination of Advisers to the Delegate, there were eleven names suggested for selection of four Advisers by the various Member-Bodies. As one of the items on the agenda for the Conference relates to Hours of Work in Coal Mines it has been suggested by practically all the Member-Bodies that have written to this office in this connection that Mr. S. C. Ghose, President of the Indian Mining Federation, Calcutta, should be recommended as one of the Advisers. The Committee accepted the suggestion of the Member-Bodies. Besides, the U. P. Chamber of Commerce, Cawnpore, and the Indian Chamber of Commerce, Lahore, expressed a very earnest desire that their representatives should have a chance of being nominated as Advisers to the Delegation as they had none since the inception of the Labour Conferences. The Indian Chamber of Commerce, Calcutta, emphasised the necessity of giving training in international matters to the Secretaries of the various provincial Chambers and with that point of view, the Chamber suggested the name of their Secretary, Mr. M. P. Gandhi, as one of the Advisers of the Conference. The representatives made by these three Member-Bodies and supported, to a large extent, by other Member-Bodies who also suggested their names for being recommended as Advisers to the Conference, weighed with the Committee in selecting the names of other three Advisers to the Delegation.

The following is the personnel finally selected by the Committee after considering all the suggestions made by the Member-Bodies in this respect :—

Delegate :

Mr. Hooseinbhai A. Laljee, President, Indian Merchants' Chamber, Bombay.

Advisors :

1. Mr. S. C. Ghose, President, Indian Mining Federation, Calcutta.
2. Mr. Rameshwar Prasad Bagla, M.L.A., U. P. Chamber of Commerce, Cawnpore.
3. Mr. M. P. Gandhi, M.A., Secretary, Indian Chamber of Commerce, Calcutta.
4. Lieut. P. S. Sodhbans, Honorary Secretary, Indian Chamber of Commerce, Lahore.

The Committee regret that they were unable to maintain continuity in the above personnel owing to the anxiety of various Member-Bodies to associate themselves with the working of the International Labour Conference which they interpret to be a healthy sign of their taking greater interest in international organisations. They hope the Member-Bodies will appreciate the difficulties in their way in arriving at these recommendations, as these are to be made with a view to give as little ground as possible for a grievance to be entertained on that account by the Member-Bodies.

The Committee hope that in the above circumstances the personnel as selected by them would meet with the unanimous approval of all the Member-Bodies affiliated to the Federation as it is absolutely essential to ensure acceptance of the personnel at the hands of the Government of India. It need not be pointed out that it is through unanimity that the Federation was able to secure nomination of the persons suggested by the Committee for the last four Sessions of the Labour Conference. I shall, therefore, be very glad to hear from you that your Committee are

good enough to accept the personnel as recommended by the Committee of the Federation and to forward the same to the Government of India in the Department of Industries and Labour to reach them not later than 31st December 1930.

Letter No. 4043, dated 27th December 1930, from Chamber to Government of India.

With reference to the press communique, dated the 23rd October 1930, regarding the personnel of the Employers' Delegation to the 15th Session of the International Labour Conference, I am directed to inform you that my Committee recommend the following names :—

Delegate :

Mr. Hooseinbhoy A. Laljee, Indian Merchants' Chamber, Bombay.

Advisors :

1. Mr. S. C. Ghose, President, Indian Mining Federation, Calcutta.
2. Mr. Rameshwar Prasad Bagla, M.L.A., U. P. Chamber of Commerce, Cawnpore.
3. Mr. M. P. Gandhi, M.A., Secretary, Indian Chamber of Commerce, Calcutta.
4. Lieut. P. S. Sodhbans, Honorary Secretary, Indian Chamber of Commerce, Lahore.

My Committee hope that Government will be pleased to accept the above suggestions.

APPENDIX CXXXI.

DEPARTMENT OF INDUSTRIES, BOMBAY.

Letter No. 3217, dated 25th September 1930, from Chamber to the Director of Industries, Bombay.

I am directed to request you to be so good as to furnish my Committee with information on the following points :—

1. Whether the Department has taken any steps to encourage the hand-spinning and hand-weaving

industry in this Presidency, and especially in the rural areas; and, if so, in what direction ?

2. Whether the Department has taken any steps so far to encourage manufacture and sale of the products of indigenous industries either by issuing literature on the subject or in any other way to achieve the object ?

3. What steps has the Department taken on the suggestion made sometime back by some commercial bodies to organise a commercial library for the benefit of the Public in this City ?

4. What ways and means are conceived so far by the Department in helping the propagation of Swadeshi in this Presidency ?

Letter No. I. A. 33-5773, dated 18th October 1930, from the Director of Industries to Chamber.

In reference to your letter No. 3217, dated the 25th ultimo, I have to state as follows :—

1. (*a*) *Hand Spinning.*—This Department carried out an investigation some time back in connection with the economics of Hand Spinning. It was found that the return to a worker would be very small. No practical demonstrations have, therefore, been given in hand spinning.

(*b*) *Hand Weaving.*—Very considerable amount of work has been done in connection with practical demonstrations in hand weaving—cotton, silk and wool. A considerable part of the budget of this Department is spent in connection with demonstrations in these cottage industries and Dyeing and Calico Printing. A detailed description of the work done during the year 1929-30 is given on pages 18 to 27 of the Annual Report of this Department for 1929-30.

2. This Department gives commercial advice to inquirers and brings the local industries to the knowledge of various Departments and the public.

3. *Commercial Library.*—No definite suggestion has so far been received from any commercial bodies about the establishment of a Commercial Library. It may, however, be stated that this Department is gradually building up a Library on technical and commercial subjects, which is open to the public.
4. As regards the directions in which this Department is helping industries generally, I would refer you to the work of this Department as described in the latest Annual Report. A copy of this is attached hereto for your ready reference.

APPENDIX CXXXII.

EXPORT OF CATTLE.

Letter No. 836, dated 24th April 1930, from Chamber to the Director of Agriculture, Poona.

It has been brought to the attention of the Committee of this Chamber that recently some agents from Brazil, West Africa, and other places are touring different parts of Gujarat and Kathiawar, to make arrangements for export of cattle. In this connection my Committee would like to have the following information :—

1. Number of cattle exported during the last quinquennium, giving the export for every year ;
2. Whether there is any restriction on the export of cattle, and if it applies to all the British Indian Ports ;
3. Whether these restrictions have been modified or changed recently, and, if so, in what direction ;

and

4. Whether there is any export of cattle during the last six months, and, if so, to what extent.

My Committee will be much obliged if you will be kind enough to supply them information on all these points and also if Government intend taking any steps if there is really going on an export of cattle out of British India.

Letter No. C.91 of 1930, dated 6th May 1930, from the Live Stock Expert to Government to Chamber.

Refer: Your letter No. 836, *dated* 24th April 1930.

(i) As far as I am aware, no Kankrej cattle have been exported, a few Sindhi cows have been exported from Karachi to Japan.

(ii) As far as I know, there is no restriction for the export of cattle from the Bombay Presidency.

(iii) No change has been made as there was never any restriction.

(iv) As far as I know no export from Gujarat has taken place within the last six months.

APPENDIX CXXXIII.

AGREEMENT WITH THE IMPERIAL BANK OF INDIA.

Letter No. 3697, dated 19th November 1930, from the Chamber to Government of India, Finance Department.

I am directed by the Committee of this Chamber to enquire as to whether the Government of India propose to renew the agreement with the Imperial Bank of India which, they understand, expires in January 1931, and, if so, as to the period of the renewal and the terms of the agreement.

Letter No. D.768/-F, dated 26th November 1930, from the Government of India, to Chamber.

In reply to your letter No. 3697, dated the 19th November 1930, I am directed to state that the present agreement with the Imperial Bank of India may be determined after the expiry of 10 years from the 27th January 1921 by 12 months' notice in writing by either party. No such notice has either been received or sent by Government.

APPENDIX CXXXIV.

IMPERIAL CONFERENCE—INDIAN REPRESENTATION.

Letter No. 613, dated 19th March 1930, from the Chamber to Government of India, Commerce Department.

The Committee of this Chamber learn that a session of the Imperial Economic Conference is to be held sometime this year in London. If so, my Committee strongly urge that Indian commercial opinion will be adequately represented on any deputation the Government of India may send to this Conference. Any question which may be brought forward before the Conference will have a vital and important bearing on Indian economic problems, and it is, therefore, necessary that Indian commercial opinion should be adequately represented on that body.

Letter No. 170-CM, dated 27th March 1930, from the Government of India to Chamber.

I am directed to acknowledge the receipt of your letter No. 613, dated the 19th March 1930, on the above subject.

APPENDIX CXXXV.

DIFFICULTIES UNDER MERCHANDISE MARKS LAW IN FOREIGN COUNTRIES.

Letter No. 1931-C. I. C., dated 21st February 1930, from the Director-General of Commercial Intelligence to Chamber.

I am collecting, for the Economic Committee of the League of Nations, information about cases of obstacles and difficulties met with by Indian produce and manufactures in various foreign countries on account of the existence and application of any laws regarding marks of origin. I shall, therefore, be much obliged if your Chamber will furnish me with particulars of any instances of practical handicaps or inconveniences to Indian exports arising from the character or application of the merchandise marks laws of foreign countries.

An early reply will be much appreciated.

Letter No. 826, dated 17th April 1930, from the Chamber to Director-General.

I am directed by my Committee to inform you, in reply to your letter No. 1931 of the 21st February 1930, that their attention

has not so far been drawn to instances of difficulties met with by Indian merchants on account of the application of merchandise marks laws in foreign countries. They, however, feel that India being more an exporter of raw materials than of finished products the experience of such difficulties, if any, would be very limited and, therefore, think that merchants could not have had very many occasions to meet such difficulties. If, however, any such difficulty is brought to their notice, the same will be communicated to you.

APPENDIX CXXXVI.

MERCHANDISE MARKS ACT—INFRINGEMENT OF—

Letter No. 6615, dated 28th December 1929, from the Collector of Customs to Chamber.

I have the honour to ask your opinion on the following point in the administration of the Merchandise Marks Act. It sometimes occurs that imported piece-goods, grey mulls for instance, bear figures, *e.g.*, 18×18, representing the reed and pick of the fabric. I have been informed that these figures for the purposes of trade in the Bombay market have lost their original significance as indicating the density of weaving and are regarded now as mere quality numbers. If such were the case, it has been suggested that it is unnecessary to take action under the Merchandise Marks Act in the case of a technical infringement where the nominal density as expressed by the figures varies from the actual density as ascertained by count. I should therefore be much obliged if you would inform me what in your opinion is the practical significance to the trade of such markings and whether any material discrepancy would be likely to deceive an intending purchaser.

Letter No. 67, dated 15th January 1930, from Chamber to Collector of Customs.

Your letter No. 6615, dated the 28th December 1929, was considered by the Committee at their last meeting. They are of opinion that the marks in question, if they do not represent the reed and pick of the fabric as they are intended to, are likely to deceive the unwary public and the practice should therefore be stopped. The continuance of the practice will lead to the loss of confidence of the purchasing public in any such marks, stamps, etc.

APPENDIX CXXXVII.

LEE CONCESSION FACILITIES TO CERTAIN ANGLO-INDIAN RAILWAY EMPLOYEES. (*VIDE* PP. 94 *OF THE ANNUAL REPORT FOR* 1929.)

Letter No. 57-E/30, dated 10th August 1931, from the Railway Board to Chamber.

With reference to the correspondence ending with this office letter No. 57-E/30, dated the 8th February 1930, I am directed to reply to your letter No. 2743, dated the 6th December 1929, as follows :—

Items (1) *to* (4). The information available will be found in the enclosed statement. This is in supersession of the statement furnished with this office letter No. 8294-E, dated the 27th January 1930.

Item (5). The rule was amended with the approval of the Secretary of State for India as the previous wording in the rules regulating the grant of overseas pay was open to question on the grounds (1) that it seemed to imply an element of choice in the conditions necessary to establish the status of the candidate as a native of India ; whereas such status was in practice determinable by facts, readily ascertainable, which it was not within the power of the candidate to control and which remained unaffected by any declaration as to domicile that he had to make and (2) that it debarred from overseas pay and passage benefits officers of non-Asiatic domicile who had been deemed to be natives of India but who did not claim that status and did not in fact possess it. With this view the rule was amended so as to leave it open to any officer affected by it to refute the presumption of Asiatic domicile arbitrarily created by it if he was able to produce contrary evidence of sufficient strength.

Item (6). The Public Service Commission was not consulted before the amendments were made.

Item (7). No time limit has been fixed.

Item (8). Yes. There are at present six cases under consideration.

Statement showing the number of officers who were in service on 1st April 1924 and who were admitted to the Lee Concession under the Domicile Rules.

Railway.	No. of officers who were in service on 1st April 1924 and who were admitted to the Lee Concessions under the Domicile Rules as originally issued.	No. of officers who were in service on 1st April 1924 and who were subsequently admitted to the Lee Concessions as a result of the amendments to rule 10 of the Domicile Rules.	No. of officers appointed after 1st April 1924 who have been admitted to the Lee Concessions but who would not have been admitted except for the amendment of the Domicile Rules.	Approximate estimate of additional expenditure arising from 1st April 1924 up to 31st December 1930 on account of the amendment of the Domicile Rules. Overseas pay	Passages
				Rs.	Rs.
A. B. ..	46	*Nil.*	*Nil.*	*Nil.*	*Nil.*
S. I. ..	72	*Nil.*	*Nil.*	*Nil.*	*Nil.*
B. B. & C. I. ..	118	11	1	1,78,706	35,437
M. & S. M. ..	107	1	*Nil.*	13,770	3,645
B. & N. W. ..	53	3	*Nil.*	26,568	9,669
Burma ..	74	3	*Nil.*	23,287	16,200
N. W. ..	143	8	*Nil.*	1,15,070	(*a*) 33,725
E. I. ..	194	7	4	89,716	19,994
G. I. P. ..	176	5	1	93,150	31,993
E. B. ..	82	8	2	1,23,903	28,300
B. N. ..	126	2	3	38,762	7,547

(*a*) *Represent figures upto 18th December 1930.*

QUARTERLY GENERAL MEETINGS.

Speech of Mr. Hooseinbhoy A. Lalljee, M. L. C., President, Indian Merchantsts' Chamber, at the First Quarterly General Meeting of the Chamber held on Saturday, the 26th April 1930.

GENTLEMEN,

I have pleasure in placing before you the Report of the work done by your Committee during the First Quarter of our current year.

The first quarter of the calendar year is generally important so far as the legislative work in the Provincial Councils and the Central Legislature is concerned. The presentation of budgets in all these Legislatures make this part of the year interesting for the public in the ordinary course. Whilst there were one or two features in connection with this year's budget of the Central Government which made this period more exciting than usual, you will agree with me that the political situation as it has developed during the last few weeks, has overshadowed even the excitement caused by the additional taxation in the Central Budget including the oppressive nature of the Cotton Tariff Bill. I do not think you would misunderstand it if I devote a comparatively smaller part in my speech today therefore to the questions of the Central Government's Budget. But at the same time I cannot overlook a passing reference to the additional taxation imposed on the country to the tune of more than Rs. 6 crores, and will only say this that it would have been more straightforward for Government to impose this taxation in 1927 when they gave up the last two instalments of the Provincial contributions, instead of misleading the Assembly, as Sir Basil Blackett did in March 1927, by putting them on the horns of a dilemma and saying: " either 1sh. 6d. on the statute or no wiping off of the Provincial contributions." The additional taxation has come, as it was bound to come, in order to wipe off the Provincial contributions, but the complete upsetting of the economic condition of the country owing to the appreciated Rupee having to be adjusted has a tale of woe which does not stand at all to the credit of the Government of India.

Regarding the Cotton Tariff Bill I think it will be correct to say that if it does not make a precedent for Imperial Preference as acknowledged by the Finance Member in his Budget speech, it certainly lays down the highly objectionable principle of simultaneous protection to the cotton textile industry of India and of Lancashire, a feature of the Bill which cannot be said to be free from protests. Your Committee were fully aware of this objectionable feature of the Bill, but they were also aware of the inability of the Legislature at this juncture to assert its will and under the circumstances they felt that in the interests of the textile industry which involves in it an invested capital of about Rs. 100 crores the exigencies of time required such protection being availed of as Government offered. The supporters of the Bill made this attitude of theirs unambiguously clear and I hope that at the end of three years we will have a Legislature with a complete power to devise such protection as is in the interests of India.

The degeneration of the economic condition in the country on the whole has been so serious and so obvious that Your Committee felt it their duty to address a very frank and outspoken letter to the Government of India on 8th February last reviewing the whole situation. I am told that the last two paragraphs in that letter are very outspoken. If that be the feeling of the Government of India, let me tell them that the position as has developed has fully justified a frank and outspoken opinion of your Committee being put before the Government without any hesitiation. We feel that despite our earnest appeals and timely warnings to the Government of India, they have been, in certain matters, deliberately persisting in following a policy of no change, even though such policies of theirs, *e.g.*, Currency policy, have involved them in further complications, creating a spirit of almost want of confidence in the action of Government on the part of the commercial community.

The reaction of this depreciating and deteriorating economic condition of the country has found its fullest reflection in the spirit of restlessness and grave discontent which has been steadily growing for sometime now. Mahatma Gandhi perceiving this, elected to start his movement which is now well-known to the

country as his " MARCH " from Ahmedabad to Dandi. Whether one agrees with all that Mahatma Gandhi has done or not in this connection, I think it would be self-deception for any person, either non-official or official to overlook the fact that Mahatmaji's movement has received very wide support throughout the length and breadth of the country. The selection of the Salt Act by Mahatmaji for the purpose of law breaking may be looked upon as the selection of the most innocent form of law breaking in the sense that it was least likely to disturb public peace and tranquility. Compared with the enormous following and support which Mahatmaji got in this movement, I think it can be said that breach of Law and Order to the extent of disturbing public peace has been almost NIL. It is true that at Karachi and Calcutta there have been some disturbances. I do not think it necessary for me to enter into details of the happenings at either of these two places, but if, out of, say, a hundred places where the Salt law was broken since Mahatma Gandhi launched the campaign on the 6th instant, there have been disturbances at two places, I believe it cannot be challenged that on the whole the spirit of the non-violent movement has been maintained. One need not agree with the movement in order to appreciate this. Many think that the correct view to take of this is that Mahatma Gandhi deliberately seleeted to take a sort of a referendum of the people in the shape of breaking the Salt law, and it will be a bold man who will say that he has not got the masses of the people with him in this connection. I am not unaware of the fact that if the movement is not appreciated in its correct proportions things may develop more untowardly than till now. But the question now is, having got this demonstration on the part of the people regarding the present system and policy of Government, what is the course of statesmanship hereafter ? Every one realises that in His Excellency Lord Irwin India has, at the moment as the head of the Government of India, a wise and sympathetic Viceroy. Personally I think he is a firm man too, because if he was not firm the movement during the last few weeks would not have been left to work itself out in the manner it has been left and overzealous local Officers would have had a freer hand than they had till now. The fact that no such action has yet been taken with a view to break the movement can be regarded as a feature of the occurrences of the last few weeks which contains a ray of hope.

This Chamber and the Indian commercial community as a whole have always stood and are for Law and Order being maintained. At this juncture, I think the Indian commercial community require the Government also to read the signs of the times in the correct manner and to act in a statesmanlike manner. Retired Government officials and others who know India of 1915 and before may every wisely advise people in London that nothing but a strong hand will retain an efficient administration here. All that I can say is that these people are out of date and their information is based on material which has no application today. The people of India will not stand any longer, as has been repeatedly said by this Chamber, anything short of "*Government of India by Indians and in the best interests of India.*" When I say 'by Indians', I mean with the approval of the elected representatives of the people in our Councils, both Provincial and Central. Whatever the Government may do, it is impossible for us to reconcile ourselves hereafter with any other system of Government. There may be quibbling regarding Dominion status and such other high-sounding names. As merchants our anxiety is that we should hereafter mould our own policy and the course of development of our country. Regarding military and one or two other complicated questions like Indian States, there may be room for deliberations and give-and-take or patience; but regarding Indian being masters in their own house there is no half-way house, and the question now therefore is, even though His Excellency the Viceroy may not be able to say anything about Dominion Status being considered at the Round Table Conference, is he prepared to say that the Cabinet are prepared to consider details regarding a status for the people of making Indians masters in their own house? If this can be made clear by His Excellency the Viceroy I personally believe the suspicion lurking in the minds of Mahatmaji and the public at large will be removed. I am not unaware of the fact that it may be urged that all this could have been discussed at the Round Table Conference. If Mahatmaji could have had the faith to wait till then, it might not have been necessary to request His Excellency today to make any declaration now. But things having developed to the point that they have, I think that statesmanship requires it and the interests of India demand it that His Excellency shall make every effort to satisfy Mahamaji and the political leaders, that the British Cabinet are not playing

with the Indian people and really mean to put them on the highway to the goal indicated in the Announcement of 1917. I must say, Gentlemen, that these views of mine are views which, I believe, will appeal to the Indian commercial community. I am aware that some of our member bodies had criticised the Committee of this Chamber for not having said things as strongly as some people would have liked us to do. But I must tell them that at difficult junctures like the present it is not possible for every set of persons to take decisions within a stated time. The problem before us is not a light one, and I do not think that the criticism of the Committee of this Chamber by some is either justified or even deserving. Your Committee feel that they should at such times as we are passing through take to a decision with the utmost consideration and circumspection.

I will only say one word before I leave this subject that even Mahatma Gandhi has recently made it clear that he is convinced that there can be no Swaraj (progress towards Dominion Status) unless there is communal unity. Definite efforts are being made in this direction by trusted Leaders of both sides, and I am not pessimistic of a satisfactory solution of this problem, provided the third party, *viz*: the Government of India, make their intention clear and unambiguous. We Hindus and Mahomedans who have lived together in this country for centuries now know that we must continue with the help of each other to put the country on the right lines, and the hardships suffered by the country by the economic policy of the Government, as it has been till now, does not fall on the Mahomedans lighter because they are Mahomedans, nor are the effects of this policy higher on the Hindus than on the Mahomedans because they are born Hindus. It is the short-sighted communal jealously which has made this problem look as big and dark as it is made out to be, and I am convinced that the best interests of the country as a whole should not be sacrificed owing to communal considerations by either side. I therefore feel that the British Government will not be justified in making the communal question an excuse for their halting policy if they wish to have the co-operation of India hereafter, and I sincerely trust that His Excellency the Viceroy will read in the present occurrences the general desire of the country as a whole to move towards making India a Self-governing country.

Gentlemen, in the disturbances of the last few weeks many persons respected amongst Indians for high character and noble patriotism have deliberately sought the jail. Where people out of honest conviction seek this fate, it is difficult to say whether we should condole with them or congratulate them. Your Committee have addressed a letter to Government impressing upon them the conviction of this Chamber that such persons put in prison should be treated as political prisoners and should not be exposed to any indignities. We have strongly protested against the indignities given to Darbar Gopaldas and Mr. Gokuldas Talati who were handcuffed at the time of their removal from the Kaira District to the Sabarmati Jail. I have refrained from naming others who have gone to jail, but perhaps I must name Sheth Jamnalal Bajaj, whose firm were members of this Chamber, and Mr. Jamnadas M. Mehta, who is a member of this Chamber.

There is no doubt that at present everyday that passes causes the political situation of our country to assume more and more importance in the minds of the people both in towns and villages and this has set all public bodies to think seriously about it, and it is at such a time that statesmanlike acts and that too of a high order, are expected from all concerned. The present state of affairs affects trade, commerce and indutry and even agricultural development in the whole country to an extent which it is difficult for anyone to calculate and describe, and it is not possible to calculate the effects of this enormous disorganisation when the whole country is so much disturbed. This state of affairs is going to affect the people of Great Britain much more, and it will all depend upon the attitude adopted by the people of Great Britain towards the people of this country as to when the trouble will be over. We, members of the business community, have always been and still are for Law and Order and we also know how difficult and trying it is to maintain them. Take the instance of Bombay alone. Even in this City when employers and employees did not agree to the scale of wages there was a good deal of rioting and disorder which later on developed into a communal riot. I ask you and all concerned to consider how much more serious the proposition is when the whole country is suffering from trade depression and consequently from widespread unemployment and untold economic and financial difficulties.

The Government's fiscal and financial policies have so much hit us that some of us are lost in despondence and a good many are of opinion that our conditions are getting every day from bad to worse, and that the only course open to us to exert all our influence and take such actions as would give as early a relief as possible to the people of India. All Indians including a large number of commercial bodies have decided to support the Swadeshi movement and that too by all means possible. Every country has done it and even Great Britain is doing her best to do it so far as her own manufacturers and produce are concerned.

I mentioned in my speech that I made at the Annual General Meeting of the Chamber three months back, that our national industrial policy should be to encourage the existing industries and support new ones. Unfortunately, the education we have received has had little connection with national feelings, and development of national industries, but the changes that have taken place after the Great War and the lessons we have learnt as to what is being done by all the civilised nations of the world, must now make us bold to support Swadeshism and make treaties with people who shall be prepared to give us equal terms. The future must be bright, if only we realise our responsibility and shape the present movement in a right manner. I cannot agree with all that was said at a meeting of a commercial body recently, and let me tell them that this Chamber is as keen about national advancement as anybody else, but we cannot approve of some of the sweeping statements and general resolutions which appear to have been passed at the meeting probably as a result of the present atmosphere. I cannot specially approve of resolutions regarding boycott of Exchange Banks, and the Imperial Bank and British houses as all this is calculated more harm to our trade and industries than to benefit them. No haste or disorder; but steadily keeping up one object: "the uplifting of our masses in every respect" can only help us. Your determined attitude without fuss or fume, I feel certain, must help India, and I am sure if both the Government in India and the Government in England mean will by the large number of mattes both in India and Great Britain, no time will be lost in bringing about an early and fair solution, and if we are assured of honest endeavoured

in this respect I would assure those who so attempt of our co-operation.

Trade and industries of Great Britain are at present not flourishing. That is perhaps putting it mildly as one must say that they are in a state of depression. A peaceful and contended India would be a great asset to Great Britain, and yet it is a tragedy that while the statesmen and politicians of Great Britain take so much pains to cultivate friendship with the Soviet Russia, very little attention is paid to restoring, to normal and friendly stage relations between Great Britain and this country. We learn that England is giving credit to the Soviet Russia to the extent of £3,000,000 in connection with a contract for supply of fertilisers and other chemicals to Russia, and it is expected that the Soviet orders this year will total more than £10,000,0000. South Africa enjoys the full rights as a Dominion of the British Commonwealth, and yet wants independence for greater honour, and Great Britain takes care anxiously to see that all her self-respect is preserved in order that she may not want to get out of the Commonwealth. Dominions like Canada and, if I remember rightly, even South Africa are allowed to have representations almost like Ambassadors with some of the big Powers. While thus on matters of self-respect of nationalities Great Britain can stoop to conquer some of the Colonies and on matters of trade can stoop to conquer the Soviet Russia, surely she can, if she wills it, try to conquer the heart of this country. I am sure that if such a gesture is made on her part, Mahatmaji, who has the good of this country at heart and who never wants to encourage any national or communal bitterness, will respond with an equally friendly getsure and the other political leaders also will undoubtedly respond to such a gesture.

Before, I conclude, I would like to express my strong disapproval which, I hope, will be shared by you all, of the acts of violence which took place in Calcutta resulting in the setting fire to tramcars and causing injuries to the pedestrians and of the attrocities in Chittagong and Pehawar which resulted in several casualities. Such acts of violence and terriorism are ruinous to the best interest of the country.

Speech of Mr. Hooseinbhoy A. Laljee, President, of the Indian Merchants' Chamber, at the Second Quarterly General Meeting of the Chamber held on Tuesday, 12th August 1930 :—

GENTLEMEN,

I have pleasure in placing before you the Report of the work done during the second quarter of the year.

In normal times, the major portion of my speech would have been devoted to a detailed discussion of questions relating to trade, commerce and industry, but we are passing through anxious abnormal and unsettled times when any real discussion of such questions is hardly possible. The attention of all the peoples, not only of India but of the whole world, is drawn towards a unique struggle, going on in this land. The history of India and as a matter of fact, the history of the world has never witnessed a bloodless revolution through which the country is passing.

Since I last addressed you three months back, the political and economic situation in the country has become more intense and more uncertain. On one side the public activities are becoming stronger and stronger, and on the other side the Government use all the weapons in their possession to crush them. About 20,000 people are supposed to have been sent to jail. Public may be accused of thinking wrongly and doing wrong acts, but no one can deny their patriotic spirit and the noble cause for which they are suffering. I submit that the Government have a right to expect co-operation from all peace-loving and responsible people if they take them into their confidence and assure them of their sincere attempts to meet their legitimate aspirations and to maintain law and order without in the least infringing the canons of laws and of humanity, and showing that regard to Society, specially towards women and children, as is due and necessary.

At present we find that the Government and the people are arrayed in a battlefield as two opposing forces. The Government seem to be determined to crush the movement by all means, and the people also seem to be equally determined to carry it on. In Bombay and elsewhere normal conditions have ceased to exist. Trade, industry and commerce have practically been disorganised, and not only the Central and Provincial Government

revenues have considerably gone down, but even the local bodies like the Port Trust and Municipality have suffered heavily. Besides this admnistrative strain, what businessmen, industrialists and even agriculturists have suffered and are suffering is beyond description. There is a perfect deadlock at present between the contending parties. Those who love peace are horrified to see all that is going on in the name of prestige and honour on one side, and sense of justice and equality of status on the other. If people can be accused of defying certain laws and making trouble in order to paralyse the Government machinery, the Government are equally accused of breaking their own laws and of showing no consideration to the just and legitimate claims of the people.

The present situation has made one thing clear: that the masses are with the movement and that even those who do not belong to the popular school of thought have sympathy with the spontaneous national awakening. In my speech that I made in the last Quarterly Meeting I said that it was necessary that Indians should be made masters in their own house. I ask the Government, once more, to read the signs of the day. The greatest need of the moment is to cry 'halt.' It is certain that the time will come when the present warfare will end. Have both the contending parties not exhibited their respective strength as yet ? The present struggle must end now, and negotiations must begin. But all this cannot take place unless and until the intensity of feelings is minimised. Repression begets hatred, which is undesirable in the best interests of world peace. It is now accepted by all that a contended India will be a great asset to the Empire. No true Indian that breathes in this land can have two opinions on the goal of Indian reforms. All classes, communities and races desire Indians to be masters of their own house. On several occasions, I have had a personal talk with those who are fighting for what they call independence, and I can say with fullest responsibility that even they can be won over, if the British Government change their heart and are prepared to concede real power to Indians.

Repression is no solution to the present difficulties, and will only create hatred which is very dangerous in the long run. Take for instance, the case of France and Germany. Can it be expected

that in near future they will be friendly? May I ask why this great lesson is being forgotten? I ask those of the British mercantile community, who have associated with the aspirations of Indians and who actually enjoy them in their own countries, to rise to the occasion and help in the solution of removing the handicaps against Indians for the good of the people of both the countries. I refuse to believe that British statesmanship has become so bankrupt as not to understand the true significance of the opposition and of the solid support the masses have given them throughout the length and breadth of this country. If no conciliation is soon made with the real representatives of the people, I fear the present deadlock will continue, trade and industries will be further ruined and both the British and the Indian people will suffer much.

As one who sincerely wishes the continuance of friendly relations between the two countries, I ask the Government to seriously consider the activities and aspirations of the present generation and not to rely on old times. If the saner counsels do not carry any weight at this juncture, I shudder to think—although that is the only natural consequence—that the breaking point may soon come. Do the British Government wish to embitter the feelings still more? Time is fast changing. The next generation, with this aroused feeling, may find it difficult, nay, even impossible to accept what Britain is called upon to concede and with which Indians may be satisfied today. What is the good, if the same thing is given when it has lost all its grace, and when people out of sheer starvation have done acts which nobody would ever desire to do. The hearts of the people, including the mercantile community, would be estranged still further, because that must create not only bitter feelings but also more hungry people. Indians must get control over the affairs of their country sooner or later. The sooner Britain realizes this, the better it is in the interests of world peace and of the Empire as a whole.

Gentlemen, there is nothing that can prevent peace loving and responsible men on both the sides to put their heads together and come to terms. I have had unique opportunities of meeting such people and I feel convinced that almost all of them have

expressed their anxiety for peace. The difficulties in the way of settlement are not so formidable as they appear to be. Only if the people are assured that the Government mean business, I have no doubt that the present unhappy state of affairs would come to an end.

Gentlemen, I would like to draw your attention to the evil effects of the present situation on trade, commerce and industry. Business losses, acute unemployment and financial distress have accentuated still more during the last few months. The depression is there and we cannot be free from its effects, but there are certain difficulties which we mnst try to avoid and I submit it is our bounden duty to do so. Government must remember the appalling poverty of the people, the large amount of unemployment and the comparatively small return from India's natural resources. All these things demand that the eontrol over the economic life of India should be in the hands of the people of India. The people of India should also remember that whatever action they take they shall not be guilty of doing anything which would accentuate this position. They are entitled to ask a form of administration which would enable them to advance the economic welfare of the people, as this is the primary concern of the Government. Indeed, they are entitled to tell the Government that self-government of India really means the economic reconstruction of India in the first instance. But I will again say that in all our actions we ought not to do anything which will worsen the condition of our poor countrymen. I do feel that in a desperate position one does not or is not able to pay that care and attention to the peculiar condition of all classes of people which they are entitled to at times when situation as obtaining at present arises; but so far as our country is concerned I would beg of you to remember that the very poor condition of our labouring and agricultural classes should under no circumstances be lost sight of. I would also request you to keep always before your eyes the amount of wages they earn, the return they get of their product and the number of persons dependent upon them.

It must also be remembered that the present state and volume of depression in Indian trade, commerce and industry and the low purchasing power of the cultivators are also due to the

Government's Currency and Exchange policies, but the Government are, I am sorry to say, not doing anything to change them. At a time when businessmen stand in need of greater credit facilities to help their countrymen to realise fair prices for their products the Government are contracting money in various ways, and further the present agitation in its excited form is scaring away what little credit has been left.

Everybody will agree when I say that the economic condition of the country looks, in spite of the bounty of Nature in the shape of good monsoon so far, anything but cheery. As a matter of fact, I am afraid, it is very critical and should give cause for anxiety to all engaged in trade, commerce and industry. The currency policy of Government, which this Chamber has repeatedly criticised since October 1924, has now gone practically beyond the pale of criticism. The recent floatation of the Government of India loan carrying 6 per cent., though for a comparatively short period, reminds one of the conditions prevailing during the war period when 6 per cent. was offered for this gilt-edged security. That the Government should have got 30 crores by conversion and cash should not, to my mind, mislead them. It correctly reflects the paucity of investments in this country. As you know in industries dividend-paying concerns are very few at present, and in trade and commerce, owing to the world depression and the disturbances through our internal abnormality there is considerable shyness on the part of the people to lock up their capital. Those who like to engage their capital in mortgages of landed property or other immoveable estates have found, to their great cost, that owing to depreciation of land-values and the reduced rental earning capacity of properties what was considered good security, say, a year back has now turned to be a mill-stone round the investors' necks. What wonder that people should be attracted to earning on Government securities, rate which is used to be considered very good rate, *viz.*, 8 annas per cent. per month What I want to point out is that Government should not run away with the idea that the 30 crores which they had got on their recent loan reflects the prosperity of the country. To my mind that is a sure proof of the greatest depression in trade, commerce and industry. The Committee of the Chamber have not criticised this loan because after the several warnings which they had given

before now during the last six years they would like to see how far Government can go in their very unwise and short-sighted policy regarding matters currency and finance.

I hear from all quarters that Local Governments, the Central Government, the Railways, and even public bodies are faced with unexpected deficits. If any credence is to be placed on reports which are given out by people who ordinarily can estimate these figures with fair accuracy, the total of this would run into multiples of crores. How in the face of all this the Government of India can with any equanimity persist in their present policy, it is not easy to understand. I will repeat again that the best interests of both the Government and the governed in India demand from a conscientious Government immediate steps to enable Mahatma Gandhi to call off the Civil Disobedience movement and put an end to the abnormal and avoidable disturbing factor in the country. Even if this were possible tomorrow, I fear, that we of this country will have to work long and with great discretion to make up for the harm which has already been done. In saying this I have not forgotten to take count of depression which is common to the world and which affects India as much as any other country. To the extent that our depression is additional to general causes and due to local factors, it is remediable and one which can and must be dealt with and to this I desire to draw pointed attention in the interest of all concerned. The political and economic situation is daily getting more intense and it is difficult to conceive what the condition of mercantile and industrial community together with the agriculturists and labouring classes is going to be.

Boycott has proved fatal to the foreign import business of this country and its effects on the British industries also appear to be telling. Like boycott exploitation is also a dangerous force and it has caused and is causing starvation, miseries and unemployment to hundreds of thousands. Bloody war costs life immediately but economic starvation of this type saps away life in the most imperceptible but cruel way. I appeal to all lovers of humanity to intervene and mobilise all their efforts to save humanity from lingering death. If exploitation on the one hand and boycott on the other are carried still further, I shudder to consider what the ultimate result will be.....

Real Swadeshism on constructive lines is a dire necessity and is quite different from boycott. Every effort must be made to encourage Indian industries, most of which are already victims of depression, and to some extent of the currency and exchange policies of the Government. Invest your money in Indian concerns and thereby give employment to your labour. Swadeshism in its broad sense means not only the development of trade, commerce and industry but also the real welfare of a country and its people. Interdependence in trade is necessary, but we must do all in our power to improve and encourage our industries, and if it is necessary there is no harm in taking advantage of institutions, whether Indian, British or foreign, which would ask for reasonable return and nothing more.

I fail to realise the utility of so many *hartals*, so far as Indian business and Indian industries are concerned. In my opinion, frequent *hartals* have done enormous harm to our trade and industry during the past few months. Normal conditions have so much changed that feelings of uncertainty, mistrust and lack of credit have become the outstanding features of the day. I appeal to all those who have good of the country at their heart not to allow anything to be done, which would harm Indian commerce and industries. Personally I feel that if Indian commerce and industries prosper and get their due support from the public, we shall conserve power which is most essential for backing the demand for our legitimate claims. It is the duty of everybody who has anything to spare to invest and help the Indian trade and industry so that Indian agriculturists may get some value for their product by which they may be able to maintain their families at least in the half-starved condition in which are at present and likewise help the industrial labourers by purchasing such goods as they can prepare and thereby help them to earn such wages as would enable them to maintain their families.....

Gentlemen, probably you may like me to express my views on the recommendations of the Simon Commission Report. We never expected, as you all know, any good from the Commission; yet there were people who were hoping against hopes. However, now it is quite clear that the whole of India considers that Report a retrograde one, and in the whole of India no association worth

the name has found it possible to view the recommendations with any degree of satisfaction. In fact the Report has met with general condemnation from all sections of people. Another proof of how the Simon Report is looked upon by Indians is the fact that during the present election campaigns no candidate has even the courage to stand by the Report or even to mention it in any of his election manifestoes.....

Gentlemen, I hope I have sufficiently dwelt upon the urgent necessity of finding out some way by which the present deadlock in the country may be removed. I warn the Government against committing the blunder of sending to the Round Table Conference men who represent nobody but themselves. It is no use holding the Conference with men who cannot " deliver the goods." The attempts that are being made by Sir Tej Bahadur Sapru and Mr. Jayakar to bring about negotiations with Mahatma Gandhi and the Congress leaders on one side and the Government on other are in my opinion desirable and deserve encouragement from all people who are anxious and ready for peace. In this connection I will like to repeat what I said after the announcement of His Excellency the Viceroy. It is as under :—

' I feel that if the announcement of H. E. the Viceroy—that the representatives of India will meet the others on a footing of equality and with no restrictions on the scope of negotiations—which appears to be sincere, had come a little earlier, *i.e.*, before the arrest of Mahatma Gandhi or even before the departure of Pandit Motilalji from Bombay, the announcement would have been better received.....

The great sacrifice that the people have made, the amount of feeling existing—the like of which has never been witnessed before, the economic condition growing worse day by day, are factors which must mould the consideration given by the public to this announcement. I therefore, think that this is the proper time when His Excellency the Viceroy should take courage in both hands and create an atmosphere which will help the people to consider this announcement in a somewhat dispassionate manner. If he is prevented from taking this step, let the public know as to what are the forces which are coming in the way. I feel that

Mahatma Gandhi could not have started this movement without a great deal of pain and I feel that if Mahatma Gandhi and Pandit Motilalji could be placed in a position to freely apply their mind to this announcement and be able to have an opportunity to confer with a few selected persons, a lead towards a course which would be profitable to both Indian and British people may certainly be now expected. I further feel that the questions of withdrawal of civil disobedience movement, amnesty to political prisoners and the withdrawal of all repressive measures will be automatically solved though at the present time they seem to be most troublesome.

People in England and India must have by now learnt to know each other well and once that is an established position, the offer for an amicable settlement should be considered.

I believe in equality and do not believe in the theory of Trusteeship and as in the case of the Egyptians when freedom and equality are offered, our people should consider the question of meeting as equals remembering that in case of disagreement, each party is left free to follow its own choice."

Gentlemen, I think it my duty to quote from the Presidential address of Pandit Motilal Nehru delivered at the Calcutta Session of the Congress, a passage to which he laid a great stress, and which was a quotation from Mahatma Gandhi's:

"The better mind of the world desires today not absolutely independent States warring against one another, but a federation of friendly inter-dependent states. The consumation of that event may be far off. I want to make no grand claim for our country. But I see nothing grand or impossible about our expressing our readiness for universal inter-dependence rather than independence. It should rest with Britain to say that she will have no real alliance with India. I desire the ability to be totally independent without asserting independence. Any scheme that I would frame while Britain declares her goal about India to be complete equality within the Empire would be that of an alliance and not independence without alliance."

Gentlemen, in conclusion, I would like you to reflect on what are our duties and what is our profession and as to what influence

our community has over all other classes as also on the Government. A merchant, as you all know, is a man who carries on interchange of goods, wares and productions between nations either by purchase or sale. It is the merchant who carries on the inland trade and all the trade of one nation with another. It is on the merchant that the agriculturists, the industrialists, the labouring classes and even the Government of a country have to depend a good deal. Therefore the responsibility of a merchant is, I submit, a very grave one. It is at the instance of the merchants that nations have become good friends or bitter enemies. In fact the world peace and the human welfare, in my opinion, have been promoted or destroyed by the good or bad relations between the traders and industrialists backed by the merchants of the nations of the world. You all know that so far as our ancient country is concerned, the greatest and the most effective protest, that carried weight with our rulers, had been a *hartal* observed by a mercantile community, and this weapon of *hartal* was very cautiously and very sparingly used. In different countries we have seen, how effective the actions of merchants have been if they decided to support or boycott the goods of a nation in moulding its policy towards that nation. When this is our influence and responsibility, we know for certain that we should weigh very carefully every move that we take. When I say this, I mean one thing and one thing only, that is as merchants it is our primary duty to see the welfare of our countrymen; it is also our duty to see what relation would be good for the continued and the future welfare of our countrymen and above all we must also remember that we can never prosper or do our duty without being treated as equals in the world. It is on the mercantile community of a nation that any other nation can depend upon the friendship of that nation. No supression or coercion can affect the free-will and the good feelings, but a fair and a square deal will always be the only instrument to have the co-operation of a mercantile community, and it is the duty of merchants not to shirk co-operation if it is fairly and squarely offered. Not only that but they must try their best for attaining the same by all legitimate and honourable means.

Before I take my seat I would like to express our regret at the action of Government in imprisoning Mr. D. C. Modi, a

member of this Chamber and an ex-member of the Managing Committee. You all know Mr. D. C. Mody took keen interest in commercial activities of the city and did valuable public service in the cause of our country.

Speech of Mr. Hooseinbhoy A. Laljee, President of the Indian Merchants' Chamber at the Third Quarterly General Meeting of the Chamber held on Saturday, the 15th November 1930 :

GENTLEMEN,

In presenting the Report of the work done by your Committee during the last quarter, I fear I shall not be able to show you any silver lining round the cloud which at present hangs over the country in the shape of disturbed economic and political conditions. It has happened, since the last Annual Meeting held in January of this year, that the situation, instead of improving, is getting worse day by day. The trade depression throughout the world has affected all the countries and the figures of unemployment in a poor country like India are also mounting up. Even if there had been no other factor, this world economic depression would have affected India to a large extent, for this country is no longer isolated but forms a part of the comity of nations, and the inventions of science like steam and electricity have eliminated distances and made the world a smaller one. Besides the world economic depression, there have operated in this country two other factors which cannot be lost sight of. These are the political movement and the economic depression peculiar to the country itself. There is so much action and reaction between the economic forces operating in the rest of the world and those operating in this country, that it is very difficult to draw a line as to where the former ends and the latter begins. The abnormal low depths to which the prices have fallen are due both to the world and national causes. That wheat should fall down in the producing centre to Re. 1-10-0 and thus be reduced in price by almost 50 per cent. in one year, is but an illustration of many as to how the agricultural commodities have broken all records with regard to low prices. It is said that not once during the last 75 years was this decline reached.

Your Committee have addressed Government with regard to relief being immediately accorded to agriculturists. It is also necessary that so far as land revenue and its payments are concerned, some relief must be given, and further if some relief is even given in the way of reduction in railway freight the agriculturists will be benefited to that extent. Your Committee realise that there is going to be a tremendous loss in the earnings of the Railways at the time of the forthcoming Budget. Government can, however, offset against the reduction in freight rates for grains and other raw materials by increasing the railway freight for some of the imported articles.

There were strenuous efforts made by the Indian Central Cotton Committee under the impetus given by Sir Purshotamdas Thakurdas to get relief in a tangible and practical form from the Finance Department of the Government of India. Government, however, have not been able to do anything with regard to this question beyond lowering the margin at which the Imperial Bank would advance loans on crops.

The policy of *laissez faire* pursued by Government with regard to conditions of agricultural commodities is fraught with disaster not only to agriculturists but to the whole country. I see that a wrong use is made of a quotation taken from its context in the speech of Sir Lewis Frank, the eminent Belgain Banker, who was recently a visitor to our country. Sir Lewis Frank himself achieved wonders in his country, Belgium, after the catastrophe of the War, not by a policy of *laissez faire* but by a policy of active and living work on the part of the State; nor can I sympathise with the argument which is started in some quarters that the political situation is responsible for the depression and so Government are helpless about it. In the first place, as I pointed out above, it is not the political movement which is the only factor in our present trade and industrial depression. So many factors have contributed to it that he would be a bold man who would assert that only the political movement was responsible for it. A political movement like the one going on in this country does not, and cannot, start without any *raison detre* whatsoever. It is but a symptom of the disease within and, as Sir Purshotamdas recently remarked in his speech before the East India Cotton

Association, it is useless to treat only the symptom so long as the disease within is not treated, properly. It is neither fair nor equitable therefore for Government to come round and say that the political movement is responsible for all our ills at the present time and that they are therefore helpless in the matter.

The cotton industry was depressed long before the present political movement came on the scheme, thanks to the currency and financial policy, and so were several other industries. In fact, if you examine the speeches and writings of leading industrialists and financiers during the last few years, you will be struck by the times without number when they referred to the trade and industrial depression, and the proverbial turning of the corner. Unfortunately, whenever a corner was turned, another new corner came on the scene and it had again to be turned when still another corner would appear. The faults of commission and omission of Government themselves have been so many times dealt with not only by myself but by my predecessors that I would not like to refer to them again. The political movement in its present form came about as a counsel of despair than otherwise. When one says that this movement was due to counsels of despair, the responsibility lies not so much on the shoulders of political leaders as on the shoulders of Government. Even the fact that the intelligentsia and even the masses of any country should have been led to despair, is an index to the lack of statesmanship and political courage on the part of Government. While I cannot agree with some of the aspects of the present movement, I cannot help saying that, as has happened in the history of the British Empire on many a previous occasion, the authorities have been too late regarding their programme of political advance. I only hope that they will not be now too late at the time of this fateful crisis.

Partly as a result of the economic depression and partly as a result of political disturbance, the finances of both the Central and Provincial Governments, as also Local authorities, will be greatly dislocated. It is estimated that the Railways will show a deficit of not less than Rs. 7 crores and that each Provincial Government will have also a deficit of about 1½ to 2 crores. There will be also deficits in other main items of the Central Government, and the total deficit in the Central and Provincial Government

Budgets may run into the figure of about Rs. 40 to 50 crores. The Local authorities like Municipalities and Port Trusts will also show similar deficits. The result will be that there will have to be added taxation to meet these deficits. It will be a stupendous question as to how to raise this additional taxation, specially as the taxable capacity of the people of the country has been long since reached, as we have often and often reminded Government. I cannot deny that political conditions have, to some extent, to do with this dislocation of finances, but there are other causes also. The trouble is that we are in a vicious circle, and that it will not be possible to apply our minds fully to the solution of the economic problems and the removal of economic depression as long as there is political trouble and on the other hand as long as there is econiomic depression and economic misery, it will be difficult to remove political discontent and restlessness. A heavy responsibility lies both upon the British Government and the leaders of Indian public to see that a just, fair, equitable and a statesmanlike solution is reached of the present impasse. The responsibility is all the greater however on the part of Government, as they are in power and are a bigger force than the public.

GUJERAT.

It is my painful duty to refer here to the agricultural upheaval which is taking place in some of the Talukas of Gujerat. Gujerat is said to be the proverbial " Garden of India," and it is a tragedy that it is the agriculturists of Gujerat who are now in a plight which we are assured by reliable witnesses needs to be seen personally to be realised. Your Committee sent two representatives, specially to Bardoli and Borsad Talukas to examine the situation for themselves and report on it to them. From their report and other reliable reports which are appearing in the Press, your Committee fear that it is doing disservice both to Government and the agriculturists to minimise the situation. Roughly about half of the population of these Talukas has gone away to the adjoining Indian State territory, and it is feared that unless statesmanlike and considerate steps are taken there may be even a bigger emigration. Those who are conversant with Indian States know very well that whatever may be the failings of these States they feel it a mortal insult if any agriculturists

go away outside their territories. It is no small matter that about half the population of these comparatively flourishing Talukas has chosen to undergo thus self-immolation. It rends the hearts of every one of us to see Gujerat peasants leaving off their farms and their homesteads and choose to live in an adjoining State territory in sheds under all the distress and misery which this involves. Your Committee have addressed Government with regard to this question. I feel quite sure that even if the Land Revenue Code were followed by Government, there would not have been this evacuation on such a large scale. It was the methods of repression and force followed by some of the officials of the districts which has made these agriculturists to undertake all the trials and hardships of this *Hijrat*. It is this factor in the whole political situation which has pained us all, whether we take cities like Bombay or the agricultural districts like Gujerat. May I hope that statesmanship may even now be evinced by the Government of Bombay in their dealing with the agriculturists, who are the main prop and stay of every State?

It has been several times claimed by the British commercial community here that they have benefited this country to a very large extent. It is true that they have started some big factories and carried on a large business. The acid test is whether these activities have been started for the economic salvation of India and, if so, may I ask them if they have at any time co-operated with the leaders of Indian public opinion and leaders of Indian trade and industries with reference to industrial development of the country? Have they helped the building up, on sure and stable foundations, of such Indian industries as may be considered 'Key' Industries? In their evidence before the Tariff Board with regard to the several enquiries instituted by this Body, have they pressed for industrialisation on a much larger scale in this country, and asked for definite and liberal protection to Indian industries? What was their attitude with regard to the State Management of Railways, a question on which the whole of the Indian commercial community was united? Answers to these questions will clearly show whether the British commercial community in this country has really stood for the development of Indian trade and industries, and has worked for Indian economic regeneration. Until and unless the general British commercial

community co-operate with Indians in these matters, I think they are doing harm not only to India but equally to themselves as well. The attitude of the British commercial community of Bombay, I must admit, has been at times on lines which I have suggested, and I take this opportunity of acknowledging the statesmanship and businesslike attitude shown by Mr. Abercrombie and his friends shown in the letter addressed by the former to me which was referred to recently by Sir Purshotamdas Thakurdas as "Abercrombie—Hooseinbhoy" correspondence. As businessmen I expect British people not to forget that it is only through the good-will of businessmen and consumers that one can trade in a country.

I have often said previously that force and repression will not be able to create trade. It may be the hallucination of men like Lord Bothermere—men with the so-called policy of iron-hand, but really not businessmen at all—that they can hammer India into being a customer of Great Britain. A much saner and more statesmanlike view was taken by Sir Padamji Ginvala who recently said that if the purchasing capacity of the Indian people were increased from a farthing per head to even a penny per head it will mean increase in the British trade by 500 million pounds. Mr. Snowden the Chancellor of the Exchequer, also said the same thing when the Labour Government came into power. It must be remembered, however, that this increase in the purchasing capacity of the people can be effected only by developing industries and agriculture and giving the control of their affairs in the hands of the people. Without these essential concomitants, all the talk about increasing the purchasing capacity is useless.

How far the Government of India are anxious and earnest for the future of our industries is seen by the typical examples of three industries. The reference with regard to the Chemical industry, which is a 'key' industry, was made in July 1928 to the Tariff Board, and they submitted their report in June 1929. Since then, despite repeated reminders from Chambers of Commerce, the Government of India are sitting upon it and in the meanwhile the industry is going to ruin, if it is not ruined already. Take again the Match manufacturing industry. The attention of Government was drawn a long time back, to the activities of the

Swedish Match Company, the competition from which was affecting the indigenous concerns adversely. The Government of India promised to watch developments. This Match Company has not yet registered itself on the basis of an Inidian Company under the control of a local Directorate, as was strongly recommended by the Tariff Board. Their rate-cutting tactics are proving detrimental to Indian companies, and yet so far as we know nothing has been done by Government in this direction. With regard to the Salt industry also, though the Tariff Board have submitted their report and though the Tariff Board and a recent Salt Conference urged an immediate and early relief, no steps have been taken to help an industry which supplies such an essential article of food like salt.

With reference to the Speech of His Majesty at the opening of the Round Table Conference, and the Government of India's despatch on reforms, I cannot do better than read out what I said in my interviews to the Press :—

His Majesty has evinced real interest in the welfare of his Indian subjects, an interest which is always shown by the Royal Family. We expected to see that the Labour Cabinet would advise His Majesty to indicate in his speech the form of the Indian Constitution which was to be discussed in the Round Table Conference. Some such announcement might well have been made and might have gone to appease Indian nationalism, because anything coming from His Majesty would have been much appreciated. However, we hope that the future course of events will justify the hopes which some of our people have based on the Round Table Conference.

The Government of India despatch, which was published yesterday, is a very lengthy document, and though I have tried to go through it I must admit that it is only a cursory survey. I cannot therefore give as yet any definite and pronounced opinion on the despatch, though from what I have read of the same in the papers, I am constrained to say that it is disappointing. It was not expected by people, looking to the speeches of His Excellency the Viceroy and the Secretary of State for India, that there would be no attempt made in this important despatch to meet substantially the wishes of the Indian people for self government. The

Government of India have not made even one recommendation in advance of the Simon Commission regarding the Provinces. As to the Centre, they have reserved not only the Army and Foreign affairs but also Finance, Commerce, Tariffs and Railways, which practically leave the Government of India where they were. With such important and vital subjects reserved for Government, I do not see how we can be said to have got anything to enable us to improve our economic and financial situation, let alone the question of self-government! The despatch seems to have transferred only Industries, Labour, General Education and Health, but without some definite say in the Finance and without any power over the Tariffs and Railways, it will be impossible to achieve anything even in these directions. It is very regrettable that the Government of India do not seem to have realised the aspirations of the Indian people.

In conclusion, I would like to express our regret at the imprisonment of Mr. Veerchand Panachand Shah, a member of this Chamber, and Mr. Nagindas T. Master, our representative on the Senate of the Bombay University and an *ex-officio* member of the Committee of the Chamber. You all know that these two gentlemen took keen interest in commercial activities and rendered good service to the cause of the country.

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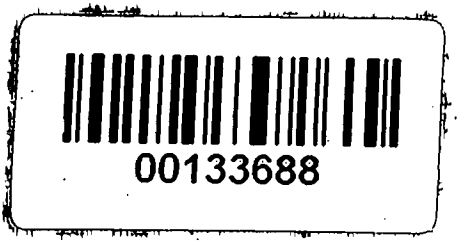
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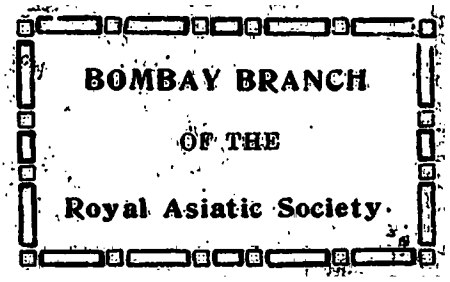

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